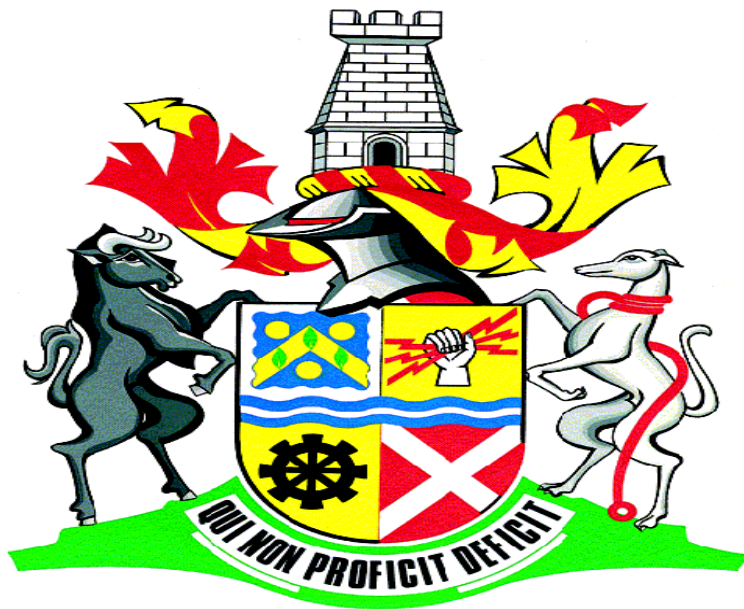


NEWCASTLE LOCAL MUNICIPALITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011**

Annual Financial Statements

for

NEWCASTLE LOCAL MUNICIPALITY

for the year ended 30 June: 2011

Province: KwaZulu Natal

AFS rounding: R (i.e. only cents)

Contact Information:

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NEWCASTLE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

General information

Members of the Council

Cllr AF Rehman	Mayor
Cllr RN Mdluli	Deputy Mayor
Cllr MF Zikhali	Speaker
Cllr TZ Hadebe	Member of the Executive Committee
Cllr NP Kunene	Member of the Executive Committee
Cllr SBM Lukhele	Member of the Executive Committee
Cllr RB Ndim	Member of the Executive Committee
Cllr BS Ntombela	Member of the Executive Committee
Cllr M Shunmugam	Member of the Executive Committee
Cllr JA Vorster	Member of the Executive Committee
Cllr VV Bam	Member
Cllr MM Bhekiswayo	Member
Cllr VV MV Buhali	Member
Cllr DRF Buthelezi	Member
Cllr SSE Buthelezi	Member
Cllr EJC Cronje	Member
Cllr JME Damons	Member
Cllr CL Dube	Member
Cllr DX Dube	Member
Cllr JK Gabuza	Member
Cllr FP Gama	Member
Cllr TS Hlabisa	Member
Cllr MME Hlatshwayo	Member
Cllr SB Hlatshwayo	Member
Cllr I Keeka	Member
Cllr LG Khoza	Member
Cllr CB Kubheka	Member
Cllr S Kubheka	Member
Cllr HS Madonsela	Member
Cllr HT Malindi	Member
Cllr NS Matthews	Member
Cllr MP Mazibuko	Member
Cllr JS Mbatha	Member
Cllr ZJ Mbatha	Member
Cllr MN Mbokazi	Member
Cllr MO Mdhloshe	Member
Cllr CN Mkhize	Member
Cllr HN Mkhwanazi	Member
Cllr MG Mlangeni	Member
Cllr MS Mlangeni	Member
Cllr GA Mncube	Member
Cllr NA Msibi	Member
Cllr SG Ndlovu	Member
Cllr ME Ngcobo	Member
Cllr NJ Ngobese	Member
Cllr CL Nhlapho	Member
Cllr DJZ Nkosi	Member
Cllr NT Ntshangase	Member
Cllr EM Nyembe	Member

Cllr TM Nzuze	Member
Cllr DO Shabalala	Member
Cllr DM Sibilwane	Member
Cllr SM Thwala	Member
Cllr DE Tshabalala	Member
Cllr SJ Zulu	Member
Cllr TM Zulu	Member
Cllr EM Zungu	Member
Cllr ME Zwane	Member
Cllr MM Zwane	Member
Cllr NA Zwane	Member

Municipal Manager

Mr K Masange

Chief Financial Officer

Mr M Mayisela

Grading of Local Authority

7

Auditors

Auditor-General

Bankers

First national Bank

NEWCASTLE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011

General information (continued)

Registered Office: 27 Murchison Street, Newcastle, 2940

Physical address:
27 Murchison Street
Newcastle
2940

Postal address:
Private Bag x O Box 6621
Newcastle
2940

Telephone number: 034-328 7600

Fax number: 086 665 4017

E-mail address: mayiselam@newcastle.org.za

NEWCASTLE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 46, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements have been prepared in accordance with Standard of Generally Recognised Accounting Practices (GRAP)

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I have reviewed the Municipality's cash flow forecast for the year 30 June **2012** and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements, which have been prepared on the going concern basis, were approved and signed by the accounting officer on 31 August 2011.

Municipal Manager:

K Masange

DATE:31 AUGUST 2011

NEWCASTLE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011

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NEWCASTLE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2011

	Note	2011	2010 Restated
ASSETS			
Current assets			
Cash and cash equivalents (2010 Restated)	1	381 792 756	422 120 521
Other Debtors	3	100 752 686	23 625 281
Consumer Debtors	2	79 841 843	112 266 674
Inventories	4	5 977 810	6 305 437
Current portion of receivables	5	27 390 265	30 157 455
VAT receivable	12	16 822 449	9 685 711
Non-current assets held for sale	31	-	-
Non-current assets			
Non-current receivables	5	3 963 941	13 681 749
Investments	15	966 612 032	458 647 828
Property, plant and equipment	7	1 334 846 425	1 353 243 682
Intangible assets	8	700 516	325 370
Investment property carried at fair value	9	165 566 900	165 566 900
Total assets		3 084 267 625	2 595 626 608
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	10	72 690 716	99 021 803
Consumer deposits	11	9 983 442	10 038 525
Current provisions	16	-475 856	2 324 546
Unspent conditional grants and receipts	13	29 512 126	49 778 808
Current portion of borrowings	14	9 219 495	6 689 518
Non-current liabilities			
Non-current borrowings	14	48 517 986	78 267 121
Non-current provisions for Landfill site	16	50 765 425	50 765 425
Defined benefit plan obligations	16	55 625 693	53 301 147
Total liabilities		275 839 027	350 186 893
Net assets		2 808 428 597	2 245 439 715
NET ASSETS			
Housing Development Fund		23 853 127	21 564 085
Self Insurance Reserve		6 403 575	
Accumulated surplus / (deficit)		2 778 171 895	2 223 875 630
Total net assets		2 808 428 597	2 245 439 715

NEWCASTLE LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE			
for the year ending 30 June 2011			
	Note	2011	2010
Revenue			
Property rates	17	152 386 672	124 665 831
Service charges	18	660 565 390	526 952 279
Rental of facilities and equipment	19	2 652 371	3 505 902
Interest earned - external investments	20	25 090 778	26 710 377
Interest earned - outstanding receivables	21	-	1 426
Fines		2 871 966	2 970 145
Licences and permits		-	250 628
Government grants and subsidies	22	324 241 492	232 855 908
Reversal of impairment on Investment: Uthukela Water (Pty) Ltd		-	363 801 328
Other income	23	-856 383	1 453 254
Revaluation adjustment: Investment Properties			6 503 174
Total revenue		1 166 952 286	1 289 670 252
Expenses			
Employee related costs	24	189 356 521	165 846 425
Remuneration of councillors	25	14 785 603	17 981 595
Bad debts		174 136 888	69 147 301
Collection costs		10 140 072	7 540 473
Depreciation and amortisation expense	26	222 132 175	224 589 958
Repairs and maintenance		76 022 644	52 179 789
Finance costs	27	5 866 998	11 835 915
Bulk purchases	28	283 223 432	219 348 022
Contracted services		12 229 229	7 888 208
Water Services (UTW)		104 087 133	
Grants and subsidies paid	29	104 889 018	79 695 683
General expenses	30	116 090 453	61 436 986
Total expenses		1 312 960 167	917 490 355
Gain / (loss) on sale of assets		-	-
Surplus / (deficit) for the period		-146 007 880	372 179 897

NEWCASTLE LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2011

	Housing Development Fund	Self Insurance Reserve	Accumulated Surplus/(Deficit)	Total: Net Assets
Note				
Balance at 30 June 2010	21 336 124	-	1 815 975 421	1 837 311 545
Transfer to Housing Development Fund	227 961	-	(227 961)	-
Transfer to Accumulated Surplus	-	-	35 948 273	35 948 273
Surplus / (deficit) for the period	-	-	372 179 897	372 179 897
Balance as at 30 Jn 2010	21 564 085	-	2 223 875 630	2 245 439 715
Transfer to Self Insurance Reserve	-	6 403 575	-	6 403 575
Transfer to Housing Development Fund	2 289 042	-	-	2 289 042
Correction of prior period error	35 -	-	700 304 145	700 304 145
Surplus / (deficit) for the period	-	-	(146 007 880)	(146 007 880)
Balance at 30 June 2011	23 853 127	6 403 575	2 778 171 895	2 808 428 597

NEWCASTLE LOCAL MUNICIPALITY			
CASH FLOW STATEMENT			
as at 30 June 2011			
	Note	2011	2010 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipt from Ratepayers, Government and Other		1 793 861 337	1 210 385 406.00
Payments		1 158 818 844	(712 308 284)
Net cash flows from operating activities	32	635 042 493	498 077 122
Interest Received		25 090 778	26 711 803
Interest Paid		(5 866 998)	(11 835 915)
Net Cash from Operating Activities		654 266 273	512 953 010
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(203 851 824)	(98 194 344)
Purchase of Investment Property			(2 567 964)
Proceeds from disposal of Investment Property			13 610 211
Decrease / (increase) in Non-Current Receivables		(17 292 102)	(18 660 494)
Increase in Non-Current Investments		(507 964 204)	
Net cash flows from investing activities		(729 108 130)	(105 812 591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-Term Loans raised		34 569 176	6 788 901
Increase / (decrease) in Consumer Deposits		(55 083)	(279 574)
Net cash flows from financing activities		34 514 093	6 509 327
Net increase / (decrease) in net cash and cash equivalents		(40 327 764)	413 649 746
Net cash and cash equivalents at beginning of period		422 120 521	8 470 775
Net cash and cash equivalents at end of period	33	381 792 757	422 120 521

NEWCASTLE MUNICIPALITY
ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2011

1 BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board and prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005. The annual financial statements have been prepared on historical cost basis, except for investment property which is carried at fair value and incorporate the principle accounting policies set out below:

These standards are summarised as follows:

GRAP 1 Presentation of Annual Financial Statements
GRAP 2 Cash Flow Statement
GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4 The Effects of Changes in Foreign Exchange Rates
GRAP 5 Borrowing Costs
GRAP 6 Consolidated and Separate Financial Statements
GRAP 7 Investments in Associates
GRAP 8 Investments in Joint Ventures
GRAP 9 Revenue from Exchange Transactions
GRAP 10 Financial Reporting in Hyperinflationary Economies
GRAP 11 Contraction Contracts
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events After the Reporting Date
GRAP 16 Investment Properties
GRAP 17 Property, Plant and Equipment
GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
GRAP 101 Agriculture
GRAP 102 Intangible Assets

Accounting policies for material transaction, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraph 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on Generally Recognised Accounting Practice (GRAP) including any such Statements issued by the Accounting Practices Board.

1.1 Presentation currency

The annual financial statements are presented in South African Rand, which is the functional currency of the municipality. The figures to the annual financial statements are rounded to the nearest rand.

1.2 Going concern assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Housing Development Fund

The Housing Development Fund was established in terms of Housing Act, Act No. 107 of 1970. Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of Housing Act, all proceeds from housing development, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the MEC responsible for housing.

1.4 Revaluation Reserve

This reserve is the result of the revaluation of investment property, and property, plant & equipment by the municipality when the accounting policy was changed.

1.5 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005
GRAP 21 Impairment of Non-Cash-generating-assets-issued March 2009
GRAP 23 Revenue from Non-Exchange Transactions - issued February 2008
GRAP 24 Presentation of Budget Information - issued November 2007
GRAP 26 Impairment of Cash-generating-assets-issued March 2009
GRAP 103 Heritage Assets - issued July 2008
GRAP 25 Employee Benefits - effective 1 January 2009
GRAP 104 Financial Instruments
IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

1.6 Change in accounting policies and comparability

Accounting policies have been consistently applied, except where otherwise indicated below:

The details of any resulting changes in accounting policy and comparative restatements are given in Notes to the Annual Financial Statements. to the Annual Financial Statements.

The Municipality changes an account policy only if the following instances:

- (a) is required by Standard GRAP; or
- (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow. The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

1.7 Property, plant and equipment

1.7.1 Initial recognition

Property, plant and equipment are tangible non-current assets (include infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purpose, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other cost attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by Municipality. Trade discount and rebates are deducted in the arriving at the cost. The cost also include the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Where an assets is acquired by the Municipality for no or nominal consideration(i.e a non exchange transaction) the cost is deemed to be equal to the fair value of that asset on the date acquired. Major spare part and servicing equipment qualify as property, plant and equipment when Municipality expects to use them during more than one period. Similarly if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment they are accounted for as property, plant and equipment.

1.7.2 Subsequent measurement - cost model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaces and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.7.3 Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The annual depreciated rates are based on the following estimates average asset lives:

Buildings	80 years	Other	
		Buildings	80 years
Infrastructure		Emergency equipment	10 years
Roads and Paving	20 years	Motor vehicles	5 years
Bridges	80 years	Honey Sucker Tanker	10 years
Storm water	50 years	Office equipment	7 years
Gravel	10 years	Furniture and fittings	7 years
Kerb and Channels	50 years	Bins and containers	10 years
Asphalt Surface	20 years	Plant and equipment	7 years
Asphalt Layer	50 years	Other	5 years
Substations and Transformers	40 years	Landfill Sites Structure	55 years
Street Lighting	40 years	Building Airconditioning System	5 years
Pedestrian Paths	30 years	Computer equipment	5 years
Traffic Signs	15 years	Domestic Equipment	5 years
Traffic Island	50 years	Network	10 years

Traffic Lights	20 years
Reservoirs	50 years
Water Pumpstation	55 Years
Bulk Sewer Pipeline	50 years
Sewerage Pumpstation	55 Years
Poles, Cables and Lights	20 years
Air Ports	30 years

Community

Buildings	80 years
Clinic and Health Facilities	30 years
Stadiums	30 years
Security system	5 years
Hawkers Shelters	10 years
Car Wash Bays	10 years
Libraries	30 years
Parks and gardens	15 years
Cemeteries	30 years
Community centres	30 years
Learning, Training Support Library	10 years

Heritage assets

Buildings	80 years
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The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The Municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount or recoverable service amount), It is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance

Items of Property, Plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Investment property

1.8.1 Initial recognition

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self -constructed investment property is the cost at date of completion.

1.8.2 Subsequent measurement-cost model

Investment Property is measured using the cost model and a revaluation will be performed once every five years. Under the cost model, investment property is carried at its depreciated revalued amount less impairments at the reporting date. Any gain or loss arising from the revaluation is included in revaluation reserve the reporting date. Any gain or loss arising from the revaluation is included in revaluation reserve.

1.9 Intangible assets

1.9.1 Initial recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.9.2 Subsequent measurement-cost model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment

1.9.3 Amortisation and impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	5 years
-------------------	---------

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.10 Non current Assets held for sale

1.10.1 Initial recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.10.2 Subsequent measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.12 Value added tax

The Municipality account for Value Added Tax on the invoice basis .This means that VAT is declared to South African Revenue Services as input or output Vat only when invoices are received from suppliers for goods or services. The net output VAT on debtors where money has not been received or creditors where payments has not been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1.

1.13 Leases

1.13.1 Municipality as lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

1.13.2 Municipality as lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.14 Revenue recognition

1.14.1 Revenue from exchange transactions

Service charged relating to electricity and water are based on consumption. Meters are read on a periodic basis and revenue is recognised when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on consumption history. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period. These are areas within the municipality where an un-metered water tariff is applied based on estimated consumption as per promulgated tariffs. Revenue for these is recognised when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded on a number of refuse containers per property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Finance income from the sale of housing by way of instalment sales agreements or finance recognised on a time proportion basis.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Dividends are recognised when the municipality's right to receive payment is established.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or when the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognized.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

1.14.2 Revenue from non-exchange transactions

Revenue from non-exchange transaction refers to transaction where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transaction is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

Fines constitute both sport fines and summonses. Revenue from sport fines and summonses is recognised when payment is received, together with an estimate of sport fines and summonses that will be received based on past experience of amounts collected

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality has not met the related recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.14.3 Grants, transfer and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the

1.15 Inventories

1.15.1 Initial recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.15.2 Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. The basis of allocating cost to inventory items is the weighted average method.

1.16 Financial instruments

1.16.1 Initial recognition

Financial instruments are initially recognised at fair value.

1.16.2 Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

1.16.2.1 Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.16.2.2 Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

1.16.2.3 Financial Liabilities: account payable

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities and are held at cost, as their cost approximates its fair value

1.17 Investments in Municipal Entities

Investments in municipal entities under the ownership control and or effective control of the municipality are carried at cost. Separate consolidated financial statements are prepared to account for the municipality's share of net assets and post acquisition results of these investments.

1.18 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.19 Conditional Grant and receipts

Unutilised condition grant are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grant and subsidies.

1.20 Provisions

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned
- the principal locations affected
- the location, function approximate number of employees who will be compensated for terminating their services
- the expenditures that will be undertaken: and
- when the plan will be implemented: and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.22 Employee Benefits

1.22.1 Retirement Benefits

The municipality provides retirement benefits for its employees and councillors. The contribution to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. Surcharges are payable monthly in terms of the fund's actuarial valuation and annual reviews. An independent actuarial valuation for these benefits has been performed and recognition and disclosure

1.22.2 Medical Aid: Continued Members

medical aid funds, with which the municipality is associated, a member (subject to the applicable conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the municipality for the remaining portion.

These contributions are charged to the operating account when paid. An actuarial valuation has been performed in order to determine the Municipality's future liability and such liability has been recognised in the Municipality's Statement of Financial Position. This valuation shall be performed every 5 years.

1.23 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Impairment of assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.27 Related Party Transactions

Waste Works Newcastle

The financial statements of Waste Works Newcastle have not been consolidated pending the liquidation process.

Councillors and Senior Management

Income from services rendered has not been calculated, however the only income received from the Councillors and Senior Management is in terms of the approved tariff charges in line with normal service delivery, and occur on an arms length basis.

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

1 CASH AND CASH EQUIVALENTS (2010 Restated)

Cash and cash equivalents consist of the following:

Cash on hand	107 682	105 023
Cash at bank	37 933 709	-
Bank Balances and Cash	38 041 391	105 023
Bank overdraft	(470 283)	(15 566 648)
Call Investment deposits	344 221 649	437 582 146
	<u>381 792 756</u>	<u>422 120 521</u>

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

First National Bank - Newcastle - Cheque Account: Account Number 53140035974

First National Bank - Newcastle - Collection Account: Account Number 53140063149

Cash book balance at beginning of year	20 442 228	157 054 010
Cash book balance at end of year	<u>41 317 986</u>	<u>20 442 228</u>
Bank statement balance at beginning of year	42 381 907	168 718 174
Bank statement balance at end of year	<u>114 660 245</u>	<u>42 381 907</u>

Cash on hand

	-	-
Total cash and cash equivalents	<u>41 317 986</u>	<u>-</u>
Total bank overdraft	<u>-</u>	<u>4 558 971</u>

2 CONSUMER DEBTORS

Trade receivables
as at 30 June 2011

Service debtors

	286 567 579	-253 458 714	540 026 294
Rates	64 890 152	-57 393 005	122 283 156
Electricity	25 607 392	-22 648 817	48 256 210
Water	114 623 135	-101 380 039	216 003 174
Sewerage	53 331 685	-47 169 957	100 501 643
Refuse	28 115 215	-24 866 896	52 982 111
VAT and Sundry Services	402 764 220	-356 230 464	46 533 757
Housing Rentals	1 724 327	-1 525 105	199 222
Total	<u>691 056 127</u>	<u>(611 214 283)</u>	<u>79 841 843</u>

as at 30 June 2010

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Service debtors	170 449 347	(103 566 596)	66 882 751
Rates	38 328 209	(25 065 307)	13 262 902
Electricity	15 794 774	(3 857 830)	11 936 944
Water	63 790 373	(42 417 017)	21 373 356
Sewerage	33 762 168	(21 355 220)	12 406 948
Refuse	18 773 823	(10 871 222)	7 902 601
VAT and Sundry Services	385 921 474	(340 779 351)	45 142 123
Housing Rentals	938 050	(696 250)	241 800
Total	557 308 871	(445 042 197)	112 266 674

Rates: Ageing

Current (0 – 30 days)	10 310 169	8 570 880
31 - 60 Days	4 866 328	4 692 021
61 - 90 Days	4 540 007	2 425 503
91 - 120 Days	4 457 871	2 331 804
121 - 150 Days	4 246 702	20 308 001
+ 150 Days	36 469 076	
Total	64 890 152	38 328 209

Electricity, Water, Sewerage and Refuse : Ageing

Current (0 – 30 days)	51 849 002	28 741 392
31 - 60 Days	14 435 824	25 910 515
61 - 90 Days	12 739 037	8 928 654
91 - 120 Days	11 450 642	7 405 713
121 - 150 Days	13 694 191	61 134 864
+ 150 Days	117 508 731	-
Total	221 677 427	132 121 138

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

VAT and Sundry : Ageing

Current (0 – 30 days)	(9 112 401)	1 220 792
31 - 60 Days	2 680 875	43 921 331
61 - 90 Days	2 413 518	977 457
91 - 120 Days	3 207 241	771 294
121 - 150 Days	7 127 470	339 030 600
+ 150 Days	398 171 845	-
Total	404 488 548	385 921 474

Summary of Debtors by Customer Classification

**Consumers Industrial /
Commercial National and
Provincial
Government**

as at 30 June 2011

Current (0 – 30 days)	31 490 442	2 949 679	1 698 305
31 - 60 Days	18 942 953	1 774 368	1 021 609
61 - 90 Days	17 159 781	1 607 340	925 441
91 - 120 Days	16 657 513	1 560 293	898 353
121 - 150 Days	105 282 048	9 861 666	5 677 946
150 Days	412 642 435	38 651 813	22 254 141
Sub-total	602 175 172	56 405 159	32 475 795
Less: Provision for doubtful debts	(532 602 276)	(49 888 334)	(28 723 673)
Total debtors by customer classification	69 572 895	6 516 825	3 752 123

as at 30 June 2010

Current (0 – 30 days)	99 994 976	27 156 722	77 857
31 - 60 Days	11 437 879	1 634 544	53 212
61 - 90 Days	9 742 110	825 738	49 590
91 - 120 Days	363 637 602	15 794 915	25 965 676
121 - 150 Days	-	-	-
+ 150 Days			
Sub-total	484 812 567	45 411 919	26 146 335
Less: Provision for doubtful debts	-387 802 598.21	-36 325 090.10	-20 914 508.69
Total debtors by customer classification	97 009 969	9 086 829	5 231 826

Reconciliation of the doubtful debt provision

Balance at beginning of the year	445 042 197	385 900 387
Contributions to provision	174 890 129	69 147 301
Doubtful debts written off against provision	-8 862 023	(10 005 491)
Reversal of provision	143 981	-
Balance at end of year	611 214 284	445 042 197

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note	2011	2010
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3 OTHER DEBTORS

Sundry debtors	492 942	1 426 125
Other debtors	96 898 841	3 165 715
Debtors suspense	175 823	1 707 277
Bulk Accounts	-	14 962 884
Insurance claims	3 185 081	2 363 280
Total Other Debtors	100 752 686	23 625 281

4 INVENTORIES

Consumable stores - at cost	5 977 810	6 305 437
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No inventory had been pledged as security for 2011.

5 NON-CURRENT RECEIVABLES

Land Sales	4 352 453	16 457 095
DBSA Loans	22 657 457	22 657 457
Loan to Uthukela	4 344 297	4 724 652
	31 354 207	43 839 204
	27 390 265	30 157 455
Less: Current portion transferred to current receivable		
Loan to Uthukela	380 355	714 110
DBSA Loans	22 657 457	13 185 026
Land Sales	4 352 453	16 258 319
	3 963 941	13 681 749

6 CALL INVESTMENT DEPOSITS

Call Investment were included in note 1 therefore not disclosed separately in the face of the Statement of Financial Position.

Money Market	71 636 800	68 146 560
Call investments	272 584 848	369 435 586
	344 221 648	437 582 146

Call deposits of R 344 221 648.51(2010: R 437 582 146.00) are held at First National Bank, Nedbank, ABSA Bank and Standard Bank.

FNB - 62104301388 - External Short Term Deposits	1 500 000	1 500 000
FNB - 71246996626 - External Short Term Deposits	-	20 000 000
FNB - 71247000806 - External Short Term Deposits	-	25 000 000
FNB - 71268921172 - External Short Term Deposits	-	15 000 000
FNB - 71268923574 - External Short Term Deposits	47 200 000	16 000 000
Nedbank - 7648555441/23 - External Short Term Deposits	10 000 000	10 000 000
Nedbank - 7648555441/29 - External Short Term Deposits	-	12 000 000
Nedbank - 7648555441/09 - External Short Term Deposits	9 500 000	9 500 000
Nedbank - 7648555441/30 - External Short Term Deposits	-	10 000 000
Nedbank - 7648555441/01 - External Short Term Deposits	4 058 495	3 877 870
Nedbank - 7648555441/10 - External Short Term Deposits	215 652	206 905
Nedbank - 7648555441031 - External Short Term Deposits	-	25 000 000
Nedbank - 7648555441032 - External Short Term Deposits	173 093	16 000 000
Nedbank - 7648555441/13 - External Short Term Deposits	-	165 424

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note	2011	2010
NedBank - External Deposit	40 900 000	-
ABSA - 9227512198 - External Short Term Deposits	15 000 000	15 000 000
ABSA - 2069768265 - External Short Term Deposits	-	10 000 000
ABSA - 2069768299 - External Short Term Deposits	-	21 500 000
ABSA - 2070359201 - External Short Term Deposits	-	5 000 000
ABSA - 2070359243 - External Short Term Deposits	-	15 000 000
ABSA - 9093158471 - External Short Term Deposits	6 000 000	6 000 000
ABSA - 2070359308 - External Short Term Deposits	-	26 000 000
ABSA - 9112678241 - External Short Term Deposits	3 850 640	3 670 880
ABSA - 9123294032 - External Short Term Deposits	148 264	141 343
ABSA - External Short Term Deposits - No acc details	39 700 000	-
Standard Bank - 68450354011 - External Short Term Deposits	5 000 000	5 000 000
Standard Bank - 68450354023 - External Short Term Deposits	-	15 500 000
Standard Bank - 068450354015 - External Short Term Deposits	7 357 055	6 985 724
Standard Bank - 068450354016 - External Short Term Deposits	23 694 732	22 499 038
Standard Bank - 68450354/001 - External Short Term Deposits	3 743 609	3 547 894
Standard Bank - 68450354024 - External Short Term Deposits	-	25 000 000
Standard Bank - 68450354025 - External Short Term Deposits	-	10 000 000
Standard Bank - 68450354026 - External Short Term Deposits	-	12 000 000
Standard Bank - 68450354009 - External Short Term Deposits	2 273 026	2 273 026
Standard Bank - 068450354008 - External Short Term Deposits	70 282	67 484
Standard Bank - External Short Term Deposits	52 200 000	-
	272 584 848	369 435 586
Money Market Investment		
Sanlam - Money Market - 1246107	44 604 889	68 146 560
FNB - Money Market - 62132797088	27 031 911	
	71 636 800	68 146 560
Total Call Investments	344 221 648	437 582 146

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

7 PROPERTY, PLANT AND EQUIPMENT

Land & Buildings	Infrastructure	Community	Other Assets	Heritage Assets	Assets Under Construction	Total
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7.1 Reconciliation of Carrying Value

as at 1 July 2010	128 526 834	1 114 693 516		53 843 008		56 180 324	1 353 243 682
Cost/Revaluation	171 519 701	1 327 629 118	-	64 060 938	-	56 180 324	1 619 390 081
Accumulated Impairment	-	-	-	-	-	-	-
Accumulated depreciation	(42 992 867)	(212 935 602)	-	(10 217 930)	-	-	(266 146 399)
							-
Acquisitions	1 970 584	-	508 889	10 911 323	26 361	190 241 695	203 658 852
Capital under Construction	-	-	-	-	-	-	-
Depreciation: Additions	-	-	(3 042)	(409 617)	-	-	(412 659)
Depreciation	(1 410 535)	(213 025 592)	-	(7 207 323)	-	-	(221 643 450)

as at 30 June 2011	129 086 883	901 667 924	505 847	57 137 391	26 361	246 422 019	1 334 846 425
Cost/Revaluation	173 490 285	1 327 629 118	-	74 972 261	-	56 438 564	1 632 530 228
Additions	-	-	508 889	-	26 361	189 983 455	190 518 705
Change in accounting policy	-	-	-	-	-	-	-
Capital under Construction	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	(44 403 402)	(425 961 194)	(3 042)	(17 834 870)	-	-	(488 202 508)

Pledged as security

The were no assets pledged as security as at 30 June 2011, except for obligations under finance leases which are secured by the lessor's title to the leased vehicles.
Refer to note 16.

Refer to Appendix B for more detail on property, plant and equipment.

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

8 INTANGIBLE ASSETS

8.1 Reconciliation of carrying value	Computer Software	Other*	Total
as at 1 July 2010	325 370	-	325 370
Cost	342 014	-	342 014
Accumulated amortisation and impairment losses	(16 644)	-	(16 644)
Acquisitions	451 211	-	451 211
Amortisation	(76 065)	-	(76 065)
Carrying value of disposals	700 516	-	700 516
Cost	793 225	-	793 225
Accumulated amortisation	(92 709)	-	(92 709)

9 INVESTMENT PROPERTY

9.1

	2011	2010
Carrying Values at 1 July as previously stated	165 566 900	4 185 127
Revaluation Adjustment / Classification	-	172 424 020
Restated Carrying Values at 1 July	165 566 900	176 609 147
Transfer to Non-Current Assets Held for Sale	-	(34 239 000)
Acquisitions	-	2 567 964
Disposals at Carrying Value	-	(13 610 211)
Transfer from Non-Current Assets Held for Sale	-	34 239 000
	-	-
	-	-
Carrying Value at 30 June	165 566 900	165 566 900
as at 30 June 2011	165 566 900	165 566 900

9.2 The Municipality has not pledged Investment property as security. A detailed register of Investment Properties held by the municipality is available for inspection at the Municipal Offices, situated at 37 Murchinson Street.

9.3 Fair value of investment property carried at cost:

The value of municipal properties is R16 126 000 (2010: R131 327 900) were valued by the Mr. Fitchard, of CBRE. CBRE are not connected to the entity and have recent experience in location and category of the investment property being valued. The valuation was based on open market value of for existing use. These assumptions are based on current market conditions. The effective date of the valuation was 30 June 2010.

9.4 Rental income from investment property

Direct operating expenses from rental generating property	2 652 371	-
Direct operating expenses from non-rental generating property	-	

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

10 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors	-	55 853 601
Staff leave accrual	15 060 313	8 073 795
Retentions	19 066 826	4 065 120
Other creditors	38 563 577	31 029 287
Total creditors	72 690 716	99 021 803

The fair value of trade and other payables approximates their carrying amounts.

11 CONSUMER DEPOSITS

Electricity and Water	9 638 708	9 709 600
Housing	52 508	50 946
Other	292 226	277 979
Total consumer deposits	9 983 442	10 038 525

Guarantees held in lieu of Electricity and Water Deposits 7 681 943

12 VAT RECEIVABLE

Vat Payable	(24 091 829)	-
VAT receivable	40 914 278	9 685 711
	16 822 449	9 685 711

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

TAXES AND TRANSFERS PAYABLE (NON-EXCHANGE)

Taxes and transfers payable - -

13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent Conditional Grants from other spheres of Government

Conditional grants from other spheres of governments	29 512 126	49 778 807
Total Unspent Conditional Grants and Receipts	29 512 126	49 778 807

See Note 22 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

14 BORROWINGS

Annuity Loans	57 737 482	84 956 639
Other borrowings	-	0
	57 737 482	84 956 639

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Less : Current portion transferred to current liabilities			
Annuity Loans		-9 219 495	-6 689 518
Total borrowings		48 517 986	78 267 121

Refer to Appendix A for more detail on borrowings.

15 INVESTMENTS

Municipal entities under the sole or shared control of the municipality during the year:
Uthukela Water (Pty) Ltd
Waste Works Newcastle (An association not for gain incorporated under Section 21 of the Companies Act, 61 of 2008

Sole Control	Sole Control
No	No
Yes	Yes

The investment in Uthukela was restated in 2010 financial year as the indicators that resulted in impairment of this investment the 2008 financial year have been reversed

Uthukela Water (Pty) Ltd

Opening Balance	458 647 828	0
Reversal prior Impairment	-	363 801 328
Current year Investment	507 964 204	94 846 500
Closing balance	966 612 032	458 647 828

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

16 NON-CURRENT PROVISIONS

Provision for reclamation of landfill sites	50 765 425	50 765 425
Provision for Post Retirement Benefits	55 625 693	53 301 147
Total Non-Current Provisions	106 391 118	104 066 572

The movement in the non-current provision is reconciled as follows: -

Provision for rehabilitation of landfill sites:

Balance at the beginning of year	-	18 364 582
Contributions to provision	-	30 703 060
Expenditure incurred	-	0
Increase in provision due to discounting	-	1 697 783
Transfer to current provisions	-	0
Balance at the end of year	-	50 765 425

Provision for Post Retirement Benefit:

Balance at the beginning of year/ Opening Accrued Liability	-	49 751 381
Current Service Costs	-	2 099 671
Contributions (Benefit paid)	-	-1 474 759
Actuarial Loss/ (Gain)	-	0
Interest cost	-	5 249 400
Transfer to current provisions	-	-2 324 546
Balance at the end of year	-	53 301 147

17 PROPERTY RATES

Actual

Residential	67 666 414	66 193 268
Commercial	72 021 764	30 275 350
Industrial	-	16 642 444
Vacant	10 902 725	10 354 639
Rate levies - Madadeni and Osizweni	-	0
Specialised Non Market	602 229	145 850
Agriculture	1 019 998	323 929
Communal land	64 592	604 047
State	108 951	126 304
Total property rates	152 386 672	124 665 831
Property rates - penalties imposed and collection charges (TB)	-	0
Total	152 386 672	124 665 831

Property Valuations

Residential	9 474 386 780	8 607 051 005
Commercial	3 265 359 600	82 284 140
State	91 072 501	94 181 701
Industrial	-	376 240 000
Vacant	340 835 100	342 716 000
Specialised Non Market	394 690 000	121 495 000

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Agriculture		722 116 100	702 104 000
Communal land		92 695 000	385 703 000
Total Property Valuations		14 381 155 081	10 711 774 846

18 SERVICE CHARGES

Sale of electricity	221 918 375	297 445 063
Sale of water	302 525 420.59	112 453 935
Refuse removal	66 222 099	49 171 402
Sewerage and sanitation charges	69 671 758	65 392 005
Other service charges	227 737	2 489 874
Total Service Charges	660 565 390	526 952 279

Uthukela Water (Pty) Ltd is responsible for the supply of water in the Newcastle Local Municipality area as per the signed agreement, however the Newcastle Local Municipality has taken back the responsibility for the supply of water services to the community within its boundaries due to the challenges that Uthukela Water (Pty) Ltd.

19 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	1 045 362	3 505 902
Other rentals	1 607 009	0
Total rentals	2 652 371	3 505 902

20 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	25 090 778	26 710 377
Total interest	25 090 778	26 710 377

21 INTEREST EARNED - OUTSTANDING RECEIVABLES

Debtors	-	1 426
Total interest	-	1 426

22 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	225 776 632	156 110 000
Conditional Grants: Conditions met: Transferred to Revenue	98 464 860	76 677 908
Subsidy - Department of Arts and Culture	-	68 000
	324 241 492	232 855 908

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

22.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of 100% of rates levied plus a maximum of R267.83 for services, which is funded from the grant. Households with monthly income less than R 1 900 may apply for to be registered as indigent. However, social old age pensioners be limited to R2160.

22.2 Unspent Conditional Grants

Balance unspent at beginning of year
Current year receipts
Conditions met - transferred to revenue
Conditions still to be met - remain liabilities

49 778 808	57 943 451
65 820 413	96 642 587
-86 087 095	-104 807 231
29 512 126	49 778 807

23 OTHER INCOME

Included in other income are the following:-

Administration Fees
Building Inspection Fees
Building Plans Fees
Cemery Fees
Fire Brigade Fees
Library Fees
Parking Fees
Project Management Fees
Street Lighting
Service Connections
Sundries
Swimming Pool Fees
Trade Licenses
Water Service Connections
Total

-16 214 857	
320 247	
413 199	
1 422 225	
365 068	
393 091	
292 932	
280 983	
7 279 175	
7 801	
4 341 175	
194 080	
43 439	
5 059	
-856 383	1 453 254

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

24 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	118 046 387	119 581 215
Employee related costs - Contributions for UIF, pensions and medical aids	35 668 865	17 582 076
Travel, motor car, accommodation, subsistence and other allowances	13 878 923	13 617 767
Housing benefits and allowances	7 232 033	8 734 604
Overtime, Night work and standby payments	20 294 345	16 093 351
Leave bonuses	8 251 001	7 189 065
Long-service awards	770 571	1 029 942
Less: Employee costs allocated in Remuneration of Councillors	-14 785 603	-17 981 595
Total Employee Related Costs	189 356 521	165 846 425

Remuneration of Individual Executive Directors

Municipal SED: Technical SED: Internal
Manager Services Audit

2011

Annual Remuneration	894 464	553 149	536 887
Performance- and other bonuses	-	-	0
Travel, motor car, accommodation, subsistence and other allowances	200 000	124 500	180 000
Contributions to UIF, Medical and Pension Funds	105 536	154 632	0
Total	1 200 000	832 281	716 887

Remuneration of Individual Executive Directors

Chief Financial SED: Legal Chief of
Officer Services Operations

2011

Annual Remuneration	531 529	668 012	616 917
Performance- and other bonuses	-	-	0
Travel, motor car, accommodation, subsistence and other allowances	175 000	96 000	120 000
Contributions to UIF, Medical and Pension Funds	149 752	92 269	33 072
Total	856 281	856 281	769 989

Remuneration of Individual Executive Directors

Municipal Chief Financial Chief of
Manager Officer Operations

2010

Annual Remuneration	615 065	481 474	556 726
Performance- and other bonuses	49 800	-	0
Housing Allowance	-	39 840	0
Travel, motor car, accommodation, subsistence and other allowances	150 000	175 000	120 000
Contributions to UIF, Medical and Pension Funds	83 397	93 031	33 072
Total	898 262	789 345	709 798

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Remuneration of Individual Executive Directors			
	SED: Technical Services	SED: Corporate Services	SED: Community Services
2010			
Annual Remuneration	498 472	643 848	667 848
Performance- and other bonuses	41 334	-	0
Housing Allowance	24 000	24 000	0
Travel, motor car, accommodation, subsistence and other allowances	142 500	120 000	120 000
Contributions to UIF, Medical and Pension Funds	83 039	1 497	1 497
Total	789 345	789 345	789 345

Remuneration of Individual Executive Directors			
	SED: Internal Audit	SED: Development and Planning	SED: Legal Services
2010			
Annual Remuneration	480 847	589 456	589 456
Performance- and other bonuses	-	48 555	48 555
Housing Allowance	-	-	0
Travel, motor car, accommodation, subsistence and other allowances	180 000	120 000	120 000
Contributions to UIF, Medical and Pension Funds	-	31 334	31 334
Total	660 847	789 345	789 345

25 REMUNERATION OF COUNCILLORS

Mayor	641 996	733 535
Deputy Mayor	502 303	581 195
Speaker	502 309	1 143 180
Executive Committee Member	4 347 556	5 107 176
Councillors	8 791 440	10 416 509
Total Councillors' Remuneration	14 785 603	17 981 595

The remuneration of Councillors were broken down as follows:

Remuneration of the Mayor

Annual Remuneration	424 689	315 981
Travel, Cellphone and other allowances	205 139	151 829
Contribution to UIF, Medical and Pension Funds	12 168	74 764
	641 996	542 574

Remuneration of the Deputy Mayor

Annual Remuneration	294 829	264 536
Travel, Cellphone and other allowances	162 970	119 723
Contribution to UIF, Medical and Pension Funds	44 504	48 406
Total	502 303	432 665

Remuneration of the Speaker

Annual Remuneration	286 456	264 536
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NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Travel, Cellphone and other allowances		162 585	119 723
Contribution to UIF, Medical and Pension Funds		53 268	48 406
Total		502 309	432 665

In-kind Benefits

The Mayor, Deputy Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.
The Mayor has use of the Council owned vehicle for official duties.

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

26 DEPRECIATION, IMPAIRMENT AND AMORTISATION EXPENSE

Property, plant and equipment	222 307 043	219 561 412
Intangible assets	76 065	16 644
Impairments	-	5 011 902
Total Depreciation and Amortisation	222 383 108	224 589 958

27 FINANCE COSTS

Long term liabilities	5 586 338	6 286 447
Consumer deposits	280 660	-
Other	-	300 068
Non current provision-Post Retirement Benefits	-	5 249 400
Total Finance Costs	5 866 998	11 835 915

28 BULK PURCHASES

Electricity	283 223 432	219 348 022
Total Bulk Purchases	283 223 432	219 348 022

29 GRANTS AND SUBSIDIES PAID

Grants paid	104 889 018	78 621 988
Rates Rebates	-	1 073 695
	104 889 018	79 695 683

30 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	1 989 575	1 943 617
Bursaries	317 955	53 451
Correction of error PPE expensed	-	-95 034 613
Admin fees	49 912 045	41 777 712
Audit fees	765 509	1 710 885
Bank charges	1 572 394	1 312 454
Cleaning	307 039	435 831
Conferences and delegations	-	424 847
Connection charges	631 902	774 478
Consulting fees	3 060 960	205 969
Consumables	1 969 953	1 595 099
Debt collection commission	803 618	-
Departmental consumption	-	3 448 547
Entertainment	493 829	534 909
Free basic electricity	1 222 384	1 515 068
Indigent benefit	49 139 687	45 714 963

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
Irregular expenditure written off		-	10 357 403
Insurance		2 190 395	902 742
Legal expenses		1 557 974	1 105 915
Levies paid		20 067 979	608 500
Licence fees - vehicles		53 163	101 754
Membership fees		1 802 114	605 687
Fuel & Oil		285 379	360 519
Postage		2 099 335	2 076 317
Printing and stationery		2 887 256	2 765 312
Public viewing areas 2010		5 020	8 180 134
Skills development levies		566 042	-
Rental of buildings		2 215 267.91	-
Rental of office equipment		492 281.76	296 191
Rental of computer equipment		246 140.88	302 666
Other rentals		1 969 127.03	274 301
Sewerage treatment costs		148 446	-
Stocks and material		1 738 220	1 743 042
Subscription & publication		52 687	123 942
Telephone cost		4 701 513	2 397 602
Training		1 341 053	3 346 330
Transport claims		9 346 650	6 385 364
Travel and subsistence		2 498 794	2 300 478
Uniforms & overalls		1 924 502	1 551 128
Valuation costs		1 352 091	946 957
Workmens Compensation		-	3 904 087
Other		-55 637 829	4 387 398
		116 090 453	61 436 986

31 NON-CURRENT ASSETS HELD FOR SALE

A decision was taken at the end of the prior year to transfer a portion of Investment Properties to Non-Current Assets held for sale. The transferred assets were classified as held for sale and were disclosed as current assets on the face of the Statement of Financial Position.

Non-Current Assets Held for Sale	34 323 560	34 323 560
Transfer to Investment Property	-34 239 000	-34 239 000
Transfer to Other Assets	-84 560	-84 560
	-	-

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

32 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	-146 007 880	372 179 897
Adjustment for:-		-
Depreciation and amortisation	222 132 175	224 589 958
Contribution to Provisions		38 275 155
Correction of an error (see note 34)	694 526 190	-65 116 410
Contribution to provisions - non-current	-53 301 147	-
Contribution to provisions - current	-2 800 398	-
Finance costs	5 866 998	11 835 915
Interest earned	-25 090 778	-26 711 803
Other non-cash item	-	-
Operating surplus before working capital changes:	695 325 159	555 052 712
(Increase)/decrease in inventories	6 303 043	-951 606
(Increase)/decrease in trade receivables	-26 439 463	-52 574 042
(Increase)/decrease in other receivables	11 513 988	9 093 667
(Increase)/decrease in VAT receivable	-7 394 978	-41 174 275
Increase/(decrease) in conditional grants and receipts	-20 464 148	-8 164 643
Increase/(decrease) in trade payables	-23 801 109	36 795 309
Increase/(decrease) in consumer deposits		-
(Increase)/decrease in Prepayments		-
Other liability		-
Cash generated by/(utilised in) operations	635 042 493	498 077 122

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balance	37 933 709	-
Call Investment Deposit	344 221 649	437 582 146
Cash on Hand	-	105 023
Bank overdrafts	-470 283	-15 566 648
Net cash and cash equivalents (net of bank overdrafts)	381 685 074	422 120 521

34 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 14)	57 737 482	84 956 639
Used to finance property, plant and equipment – at cost	-	-
Sub- total	57 737 482	84 956 639
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. The Municipality utilises own revenue to repay long-term liabilities on redemption date.

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
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35 CORRECTION OF PRIOR PERIOD ERROR

During the year ended 30 June 2011, it was discovered that an error was made regarding the disclosure of operating leases. The total comparative future minimum lease payments for 2010 have been restated.

The comparative amount has been restated as follows:

Total future minimum lease payments		359 162	
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Prior year period error represents a correction in respect of Property, Plant and Equipment cost and accumulated depreciation which were presented on the face of Annual Statements but were not supported by evidence in the asset register. The comparative amounts have been appropriately adjusted. The effect of the correction of this error on the results of:

Accumulated Surplus		700 304 145	
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NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

36 CHANGE IN ESTIMATE

There were no changes in accounting estimates during the year under review.

37 EVENTS AFTER THE BALANCE SHEET DATE

Management has not identified any matter, or circumstance (adjusting or non-adjusting) since the end of the financial year, that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Municipality in future financial years.

38 GOING CONCERN

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months. The following factors were taken into consideration in our assessment:

The Newcastle Local Municipality's cash and cash equivalents held at Balance Sheet date were as follows over the last three years:

	2011	2010	2 009
Cash and cash equivalents at the end of the year	<u>381 792 756</u>	<u>422 120 521</u>	<u>366 053 927</u>

It is projected that the cash balance will further increase during the 2010/11 financial year due to other revenue streams that have been introduced within the municipality as well as improved debt collection.

During the past two years surplus cash was used to fund capital projects.

The above indicators as well as the power to levy taxes suggest that the Going Concern Assumption is appropriate.

39 RELATED PARTIES

The municipality did not have any related party relationships, balances or transactions for the year under review except for the following:

Post employment benefits (refer to note 45 below)

Compensation to Councillors and other key management (refer to notes 24 and 25 respectively)

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
40 MANAGEMENT ACT

40.1 Contributions to organised local government

Opening balance	-	-
Council subscriptions	191 672	191 672
Amount paid - current	-191 672	-191 672
Amount paid - previous years		
Balance unpaid	-	-

40.2 Audit fees

Opening balance	-	-
Current year audit fee	765 509	852 020
Amount paid - current year	-765 509	-852 020
Amount paid - previous years		
Balance unpaid (included in payables)	-	-

There were no unpaid audit fees at year end.

40.3 VAT

VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.

40.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	25 471 406	19 340 295
Amount paid - current year	-25 471 406	-19 340 295
Amount paid - previous years	-	-
Balance unpaid	-	-

40.5 Pension and Medical Aid Deductions

Opening balance	-	0
Current year payroll deductions and Council Contributions	43 641 586	14 663 173
Amount paid - current year	-43 641 586	-14 663 173
Amount paid - previous years	-	0
Balance unpaid (included in payables)	-	-

40.5 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

Total Outstanding less Outstanding more
than 90 days than 90 days

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

	Note	2011	2010
as at 30 June 2011			
Councillor MV Buhlali	41 914	298	41 616
Councillor SSE Buthelezi	16 154	394	15 760
Councillor JK Gabuza	5 559		5 559
Councillor SBM Lukhele	762	0	762
Councillor MP Mazibuko	42 827	1 107	41 720
Councillor ZJ Mbatha	555	0	555
Councillor RN Mdluli	3 172	507	2 666
Councillor CN Mkhize	31 057	3 141	27 917
Councillor MS Mlangeni	47 991	1 764	46 227
Councillor NJ (MP & NJ Ngobese)	41 965	662	41 302
Councillor EM Nyembe	641	75	566
Councillor DO Shabalal	7 275	550	6 726
Councillor MF Zikhali	2 812	207	2 605
Councillor SJ Zulu	3 180	388	2 792
Councillor EM Zungu	39 810	307	39 503
Councillor ME Zwane	20 724	1 309	19 415
Total Councillor Arrear Consumer Accounts	306 400	10 017	295 691
as at 30 June 2010			
Councillor MS Mlangeni	1 568	965	603
Councillor AD Mazibuko	842	432	410
Councillor NJ Hadebe	1 122	549	573
Councillor MF Zikhali	945	433	512
Councillor MS Mlangeni	1 524	689	835
Councillor ME Zwane	2 160	906	1 254
Councillor PB Mwali	1 839	806	1 033
Councillor MM Bhekiwayo	2 687	1 194	1 493
Councillor NP Mtshali	3 183	-	3 183
Councillor GA Mncube	7 923	6 897	1 026
Councillor JE Mpungose	16 186	2 445	13 741
Councillor NP Mtshali	15 572	1 456	14 116
Councillor JE Mpungose	59 402	2 726	56 676
Councillor SS Mbokazi	74 650	2 519	72 131
Total Councillor Arrear Consumer Accounts	189 603	22 017	167 586

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2011 2010

40.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has developed a supply chain management policy which is reviewed on a yearly basis.

41 CAPITAL COMMITMENTS

41.1 Commitments in respect of capital expenditure

- Approved and contracted for

Infrastructure Assets	44 061 119	24 918 284
Community Assets	10 626 178	
Heritage	25 683	
Land and Buildings	4 255 209	
Other Assets	17 136 509	443 944
Total	76 104 698	25 362 228

- Approved but not yet contracted for

Infrastructure Assets	191 735 000	-
Community Assets	11 700 000	-
Land and Buildings	76 815 500	
Other Assets	32 595 250	
Total	312 845 750	25 362 228

This expenditure will be financed from:

- Government Grants
- External Loans
- Own resources

169 495 000	9 330 413
61 000 000	
82 350 750	16 031 815
312 845 750	25 362 228

42 OPERATING LEASES

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Operating leases - lessee

Within one year	3 204 036	220 475
In the second to fifth year inclusive	4 898 116	138 687
After five years	-	-
Total	8 102 152	359 162

Operating Leases consists of the following:

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable. The municipality have the option of renewal of leases at the end of the lease term. Included above is the lease of a building for a period of 36 months with payments payable in advance.

**NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011**

Note	2011	2010
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43 CONTINGENT LIABILITIES

The municipality did not have possible obligations arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the municipality.

**NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011**

	Note	2011	2010
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44 RISK MANAGEMENT

44.1 Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

44.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are

44.3 Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits
- Long term annuity

45 Electricity losses

The municipality has identified a significant electricity loss of 32 334 603.98 kWh with an estimated value of R 5 9 214 432.16 for the year ended 30 June 2011. To prevent further losses, the municipality has implemented a random meter audit on a monthly basis. Those identified to be tempering with meters will be charged as required by the Debtors Control and Collection Policy.

46 RESTATEMENT OF COMPARATIVE INFORMATION

The Municipality has adopted GRAP Accounting Standards with effect from 01 July 2007 and comparative balances were restated accordingly.

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
CORPORATE SERVICES: JULY 2010 - JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/339	115243	76150	Minolco	Staples	556.63	The printing section makes use of a Minolco Bizhub 920 photocopier machine, which is able to staple documents automatically. Minolco are the only suppliers in the Newcastle area of the staples, required for the use in the Bizhub.
August-10	M/368	130290	77281	Jutas Pocket Statute Mini libra	Purchase of Juta&Company Books	765.00	One quotation was received from Juta&Company, due to the fact that they are the company who publish these set of books, therefore the normal SCM process could not be followed
September-10	M/384	106344	77072	Fed Auto Newcastle	Repair&Maintenance	1 255.62	A Vehicle was purchased from Fed Auto Newcastle on 12 June 2006&has been sent to the dealer since the said date for all regular services in accordance with the initial maintenance cover as well as thereafter for repairs since it is an accredited dealer.
September-10	M/386	134292	75901	Actom Protection	mv/hv protection training	55 000.00	It proves difficult to find service providers to come to our venue for this training. At the same time we are not at liberty to delay it due to the critical nature of the legislative requirements&also to risk the employees face
October-10	M/412	K12044	77952	Rocla	Bus shelters and side walls	298 760.00	Rocla is the only supplier of such precast bus shelters in Newcastle.
November-10	M/466	101270	78778	PGC Trading Concepts	Printing of annual report	62 385.36	Quotations were above 30000 due to time constraints proper tendering procedure could not be followed
November-10	M/452	111285	78559	Northern Cleaning Services	Repairs to Vacuum Cleaner	3 568.20	Nine vacuum cleaners are utilised in the Civic Centre, Madadeni Offices the vacuum cleaners require replacement filters&filter bags in order to keep the machines in an optimum condition
November-10	M/454	104270	78704	The George Hotel	Accommodation	102 750.00	This serves to inform you that the Newcastle Municipality Councilors and officials from community services department will be attending the KwaNaloga Games that will be hosted by uThungulu Municipality as from 10-14 December 2010. Due to the nature of this event we were unable to obtain 3 quotations as specified by the SCM policy as all the hotels in Richards Bay and surrounding areas are fully booked.
February-11	M/516	070200001152	A0002746	BMS Computing	Computers	75 842.00	30 computers were purchased from BMS Computing. 6 more computers were purchased later from BMS as they were the cheapest.
February-11	M/517	K0012230	A0002548	BMS Computing	Phoenix Server	156 651.00	Three quotations were obtained, due to the urgency need of second Phoenix server SCM processes could not be followed.
TOTAL						757 533.81	

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
TECHNICAL SERVICES: JULY 2010 - JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/329	180459	76133	Flint Construction	Repairs of slacks	17 328.00	Slacks appeared on the NPC private siding, which caused an emergency situation and need to be attended to immediately to prevent derailling of the trains and cause a tremendous amount of damages to trains and tracks. Flint is the only local railway engineering contractor in Newcastle who can act immediately.
July-10	M/314	251481	75755	Nontando Masimula Business Enterprises	Disludging of VIP Toilets	253 294.00	Due to the increase in number of VIP toilets that need to be serviced, kindly process the submitted invoices for the services that has been rendered. The number of VIP toilets will increase monthly until the end financial year ending 30 June 2010.
July-10	M/314	255481	75756	Municipal Waste Removal Services	Disludging of VIP Toilets	253 295.23	Due to the increase in number of VIP toilets that need to be serviced, kindly process the submitted invoices for the services that has been rendered. The number of VIP toilets will increase monthly until the end financial year ending 30 June 2010.
July-10	M/314	251481	75757	Mdubane Contractors	Disludging of VIP Toilets	66 810.00	Due to the increase in number of VIP toilets that need to be serviced, kindly process the submitted invoices for the services that has been rendered. The number of VIP toilets will increase monthly until the end financial year ending 30 June 2010.
July-10	M/314	251481	75754	Hambanathi Facilitators	Disludging of VIP Toilets	254 315.21	Due to the increase in number of VIP toilets that need to be serviced, kindly process the submitted invoices for the services that has been rendered. The number of VIP toilets will increase monthly until the end financial year ending 30 June 2010.
July-10	M/307	P50782	75635	LHMarthinusen	20 MVA Transformers	47 638.32	Two new Buchholz & Pressure Relief Valves have to be replaced on the 2 x 20 MVA Transformers as they are damaged beyond repair and calibration.
July-10	M/310	P50803	75143	S&M 2Way Radio	Repairs to Radio repeater	43 320.00	S&M 2Way Radio has the contract to repair radios and repeaters. Due to the urgency of having, S&M 2Way Radios were instructed to go ahead with the necessary repairs. These repeaters were damaged by lightning and are beyond economical repair, however S&M have installed one of their own repeaters to assist with service delivery.
July-10	M/311	950794	75142	S&M 2Way Radio	Repairs to Radio repeater	30 780.00	S&M 2Way Radio has the contract to repair radios and repeaters. Due to the urgency of having, S&M 2Way Radios were instructed to go ahead with the necessary repairs. These repeaters were damaged by lightning and are beyond economical repair, however S&M have installed one of their own repeaters to assist with service delivery.
July-10	M/315	P50784	76351	LHMarthinusen	Transportation of transformers	821 881.88	Lightning damaged transformers adjusting services requested that LHM repair the transformers and transportation there of.
July-10	M/313	NN57373	76337	Tren Tyre	Tyre replacement	1 405.21	Tyre size 185/65R15 are worn out, and has to be replaced and they are not listed on the current tyre tender. Should these tyres not be replaced the vehicle could be subjected to ticket fine or an accident.
July-10	M/320	P10494	75824	Eagle Services	Breakdown repairs	1 710.00	The vehicle four post lift has broken down and can no longer be used to service municipal vehicles. The root cause of failure was due to a failure of sling pulley on the lift mechanism. Eagle Services are the only approved local repairs for such lifting machines.
July-10	M/321	440463	75825	Eagle Services	Breakdown repairs	684.00	The vehicle four post lift has broken down and can no longer be used to service municipal vehicles. The root cause of failure was due to a failure of sling pulley on the lift mechanism. Eagle Services are the only approved local repairs for such lifting machines.
August-10	M/346	163469	76952	Knowledge Base	USB Dongle	1 014.60	The Knowledge Base Civil Designer Software has been updated on the upgraded computer being used by the Technical Engineering Assistant. The current, licensed security dongle needs to be updated to an USB Dongle, in order to be compatible with using the Windows 2007(2010) Vista or Seven program.
August-10	M/360	701229	76536	Amanzi Transport	Provision of water tanker	76 317.50	Department to send claim to Exco/Council to authorise veriment transfer Mr Mayisela requested as bridging finance that the service provider be paid as work was already been undertaken
August-10	M/378	701229	76448	Amanzi Transport	Provision of water tanker	71 382.50	Due to additional areas identified by Council that needs to be provided with water e.g Ntendeka, Normandien & Charlestown etc, services of Amanzi Transport were requested until such time that the tender 150/2010 is awarded
August-10	M/349	P10400	76487	Hambanathi Facilitators	Disludging of VIP Toilets	253 295.23	Service providers, Nontando Masimula Business Enterprises, Hambanathi Facilitators, Municipal W.R services & Mdubane Contractors, for the disludging of VIP Toilets in Madadeni, Osizweni & surrounding areas
August-10	M/379	P10400	76449	Nontando Masimula Business Enterprises	Disludging of VIP Toilets	169 997.00	Service for the service providers: Nontando Masimul Business Enterprise, Hambanathi Facilitators, Municipal W.R services & Mdubane Contractors, for the disludging of vip toilets in Mdadeni, Osizweni & surrounding areas, will be continued until the finalisation or rather appointment for tender 149/2010
August-10	M/380	P10401	76450	Municipal Waste Removal Services	Disludging of VIP Toilets	169 999.80	Service for the service providers: Nontando Masimula Business Enterprise, Municipal Waste Removal Services, Hambanathi Facilitators, Municipal W.R services & Mdubane Contractors, for the disludging of vip toilets in Mdadeni, Osizweni & surrounding areas, will be continued until the finalisation or rather appointment for tender 149/2010

August-10	M/381	P251481	77043	Hambanathi Facilitators	Disludging of VIP Toilets	169 996.80	Service for the service providers;Nontando Masimula Business Enterprise ,Municipal Waste Removal Services,Hambanathi Facilitators,Municipal W.R services &Mdbane Contractors,for the disludging of vip toilets in Mdadeni,Osizweni&surrounding areas,will be continued until the finalisation or rather appointment for tender 149/2010
August-10	M/341	K10531	76468	Actom Power Systems	Switchgear Feeder Panels	447 364.91	Two 11 000 Volt panels and SBU4 breakers are required for the upgrade project of Formosa Feeder at Riverside. Actom are the sole suppliers of the SBU4 circuit breakers and it is recommended that Actom supply the circuit breakers in conjunction with Bid 170/2009 to facilitate easier system integration and compatibility.
August-10	M/342	P10198	76467	Power Contractors	Load Management Equipment	3 534.00	There is no spare Load Management Summatar and Check Relay which is used for geyser control. Should the equipment become faulty there will be no geyser control measures. Power Contractors are the sole supplier of the Summatar and Check Relay and thi is specialized equipment.
August-10	M/343	P10115	76466	Power Soft Information Systems	Substation Control System Site Visit	18 604.80	The SCADA at Lennoxton and Glen Substation have RTU problems and need to be repaired as maater of urgency. The faults causes loss of communication between the Control Room and 132 KV substation affecting remote swithcing, load control and indications in the control room. Power Soft Information Systems is the agency to carry out the necessary repairs.
August-10	M/347	NN37959	76908	Hlanganani Cranes	Hydraulic repairs	42 754.02	Four companies were invited to quote but onlt one responded ie Hydrawper Cranes
August-10	M/348	K10531	76951	Farad Engineers	Load Management Equipment	547 043.82	The SFU-K-103 transmitter in Riverside needs to be upgraded to a SFU-K-203 to run two load management sytems.Farad is the sole supplier of this equipment.
September-10	M/370	K10531	77138	W.J Coetzee	Protection Relays&Current Transformers	61 060.25	W.J Colzee are the sole Agent for Selmons in Northern Natal,also quotation were requested from Newton Elect.&Rencoet Trust who also use W.J Coetzee to supply the equipment required.
September-10	M/371	P10131	77134	ABB	Repairs to 4flm breaker	24 650.22	The circuit breaker at the central A Substation flashed over and needs to be repaired as a matter of urgency
September-10	M/372	P10131	77133	ABB	Rewire of hd4 lm breaker	4 069.80	The circuit breaker at the central A Substation flashed over and needs to be repaired as a matter of urgency
September-10	M/388	NN42328	77187	Tren tyre	Tyre re-treading	153.90	Approval is hereby requested for Compactor Truck NN 42328,an additional tyre repair has to be done before the normal tyre re-treading could bedone which is not included in the current tender document.
September-10	M/389	NN9593	77946	Tren tyre	Grader rim repairs	2 029.20	Approval is hereby requested for Grader tyre & rim repairs after re-treading which is not included in the current tender document.
September-10	M/390	NN42328	77182	Tren tyre	Tyre re-treading	139.08	Approval is hereby requested for Compactor Truck NN 42328,an additional tyre repair has to be done before the normal tyre re-treading could bedone which is not included in the current tender document.
Oct-10	M/424	163344	77956	Menmat	Warranty Service	5 294.00	Approval is requested for the tanker Truck supplying water to the community.Since the vehicle is still under warranty the Council is bound to do maintenance service&Repairs
Oct-10	M/415	P10130	77957	Electronics Assemblies	Refurbishment:Ring main units	87 305.70	Vehicles have damaged these units in the past weeks. After assessment we therefore noticed that three ring main units could be furnished at the same warranty as for the new RMU. We therefore request in order to save Council money that these RMU's be furnished.
Oct-10	M/416	P10115	77986	ABB	Check Protection Relays Riverside&Central 132	9 717.00	ABB is the sole supplier of the RET&REJ Relays for the 132000 Volt Sub stations
Oct-10	M/417	K10529	78069	Farad (Pty) Ltd	Replacement of UK 69 Phoenix	35 500.00	Farad (Pty) Ltd is the sole supplier of Load Control Equipment
Oct-10	M/426	P10116	76443	Electronics Assemblies	Refurbishment:Ring main units	31 000.00	Bid was awarded to Electronics Assemblies & required the supply of a brand new Ring Main Unit (RMU) to the amount of R31000. However Electronic Assemblies have confirmed existing RMU'S can be refurbished at a third of the cost with a guarantee offered on its refurbishment thus saving council money.
Oct-10	M/427	P10115	78065	ABB	Protection Riverside&Central	7 831.80	ABB is the sole supplier of the RET&REJ Relays for the 132000 Volt Sub stations
Oct-10	M/437	P10127	78372	Force Electrical	Purchase 222L-Brackets	4 395.60	Fore Electrical is the sole supplier of these brackets& they brought them as a breakdown since the rainy season has started
Nov-10	M/474	P10040	79091	Gijima	Training for instal wage of pin	4 947.60	Gijima was used before to install and train the personnel on the usage. Approval is sought to condone the expenditure to have the personal pin codes installed
Nov-10	M/443	P10028	78621	Joe Mbele chromodek	Repairing of Electricity Gutters	24 668.00	Civil Services were requested to repair the very bad roof leak,they only received one quotation from Joembele Chromodek Guttering
Nov-10	M/460	601330	78809	Spescom DataFusion	Spescom Data Fusion Recorder	46 750.37	It is urgently required to migrate to Libra Recording Solutions who are a sole provider for such an upgrade
Nov-10	M/462	601330	79075	Gijima	Telephone Exchange	4 335.42	Gijima are the sole Supplier of the telephone exchange at Electrical Department
Nov-10	M/459	P10198	78808	Strike Technologies	FP Relays Repairs	4 250.00	Strike are the sole suppliers of FP 2000, and the repair costs 5 relays are R 4250.00. Your approval is hereby requested to carry out the repairs of repairs of relays.
Nov-10	M/464	602476	79074	HV Test	Repairs Pressure	17 704.20	HV is the sole supplier of BAUR PGK25 pressure Tester
Nov-10	M/451	NN24018	78925	Motor&Diesel	Break-Down Repairs	6 292.80	Break-Down Repairs,Compactor chain links NN24018 bell tractor
Dec-10	M/481	010601010243	A0000842	Xtec PMB Pty (Ltd)	staplers	1 185.60	Xerox is the sole supplier of the photocopy machine.
January-11	M/499	P10115	A0002545	Design Jet Technologies cc	Repairs design jet750c	4 366.20	Design Jet Technologies is the sole HP service and repair agent for the AO plotter and due to the urgency the company requested to repair and service the said plotter.
January-11	M/502	P10115	A0002220	W J Coetzee	Boshoe,Sunset view Line	42 141.14	W J Coetzee Electrical are an electrical contractor in Newcastle who are on bid with the municipality and they were easy to contact so as to assist the electrical department with their specialized expertise.

January-11	M/504	P10131	A0002231	ABB South Africa	Installation&Commissioning of ABB	11 276.88	The order for the breaker has been placed, alterations have been done by ABB previously on the panel and they have the drawings for this specialized work to be done.
January-11	M/495	NN20127	A0001762	Carcool	Airconditioner	1 379.40	Carcool is the only company who could repair the airconditioner for us
February-11	M/510	01019645347	A0002750	Stucky Motors	maintenance plan vito crew bus	11 000.00	A New Vito was purchased and has no maintenance plan and a quotation from Stucky was received. Stucky Motors are the sole agents for Mercedes Benz.
February-11	M/511	NN71176	A0002930	Menmat Delta	Warranty service	5 770.68	Vehicle is still under warranty the council is bound to maintenance and repairs with dealers
February-11	M/513	P10113	A0002467	W J Coetzee	repair faulty spouts on switch gea	115 799.00	W J Coetzee Electrical are an electrical contractor in Newcastle who are on bid with the municipality and they were easy to contact so as to assist the electrical department with their specialized expertise.
February-11	M/520	602454	A0002873	Isabelo sezwe suppliers	Repair sblution rooms &car port	15 300.00	Isabelo Sezwe were awrded bid 184/2010 for the repairs to ablution rooms and carport at the electrical services. Due to the unforeseen damaged pipes and gutters there is additional costs.
February-11	M/521	165/454	A0003097	Rocla(pty)	concrete bus shelter	56 017.50	Rocla is the sole supplier of bus shelter
March-11	M/527	NN12324	A0003506	Newcastle Auto Eng	Warranty service	773.88	In order to maintain the one year warranty for the job done by Newcastle Auto Engineers we need to do all services with them until the warranty service is over.
March-11	M/528	NN58760	A0003505	Motor&Diesel Tech	Tail repairs, supply lock	2 004.12	Break-down opel corsa for Newcastle East Waste section, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech to supply and install the tail gate handle.
March-11	M/529	NN30639	A0003504	Motor&Diesel Tech	Tail repairs, supply lock	2 511.42	Break-down opel corsa for Newcastle East Waste section, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech to supply and install the tail gate handle.
March-11	M/530	NN31166	A0003503	Motor&Diesel Tech	Overheating & Headgasket	1 927.74	Break-down repairs for opel corsa NN31166, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech for repairs.
March-11	M/531	NN44809	A0003502	Farmtrac	Warranty service	5 105.87	The tractor is due for 1000 hour service whilst the tractor is still under warranty and the Council is bound to do the service with the dealer in order to maintain the warranty for one year.
March-11	M/532	NN57373	A0003500	Newcastle Auto Eng	Security Bakkie	1 370.17	Bakkies cylinder head was given to Newcastle Auto Engineers for repairs. Before the unit can be repaired it has to be stripped first. To minimise downtime and to avoid parts getting lost, they had to go ahead and additional costs occurred.
March-11	M/533	NN58760	A0003499	Motor&Diesel Tech	Eletrical Radiator Fan	1 353.18	Break-down opel corsa for Newcastle East Waste section, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech to supply and install the tail gate handle.
March-11	M/534	NN21482	A0003501	Motor&Diesel Tech	Radiator repairs	934.80	Break-down repairs for ISUZU NN21482, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech for repairs.
March-11	M/536	NN227424	A0003588	Carool	Air-conditioning repairs	564.30	Carcool was given this vehicle for assessing, stripping and quoting. Due to the vehicle being stripped in order to give a qotation, it is more practical and feasible to allow them to execute the work.
March-11	M538	NN44809	A0003460	Farmtrac	Tractor	3 438.54	The tractor is due for 650 hour service whilst the tractor is still under warranty and the Council is bound to do the services and repairs maintenances with the dealer.
March-11	M539	NN5703	A0003464	Phumaphambili Trans	Tipper Truck	5 700.00	Tipper truck was involved in an accident at Ingogo Farm. Phumaphambili Transport was the only compant that was available at the scene to help as it was urgent.
March-11	M540	NN35007	A0003461	Farmtrac	Tractor	3 438.54	The tractor is due for 530 hour service whilst the tractor is still under warranty and the Council is bound to do the services and repairs maintenances with the dealer.
March-11	M541	NN59703	A0003478	Motor&Diesel Tech	Trailer	16 543.65	Break-down repairs for NN59703, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech for repairs.
March-11	M542	NN24018	A0003479	Motor&Diesel Tech	Trailer	16 543.65	Break-down repairs for NN24018, due to shortage of staff to do the work, it was sent to Motor and Diesel Tech for repairs.
April-11	M548	P0010048	A0003947	Auto Motors	Robot	2 813.52	Osizweni Robot was hit by lightning causing damage to conflict and opto cards. Auto Motors are the sole suppliers of E10 traffic contrlillers
April-11	M557	NN44809	A0004218	Farmtrac	Warranty Service	3 885.55	Tractor is due for 1276 hour service and is still under warranty.
April-11	M558	NN37233	A0004217	Farmtrac	Warranty Service	2 959.53	Tractor is due for 1000 hour service and is still under warranty.
April-11	M559	NN53714	A0004216	Farmtrac	Warranty Service	4 096.59	Tractor is due for 969 hour service and is still under warranty.
April-11	M560	NN37233	A0004215	Farmtrac	Breakdown	4 992.90	The tractor had a breakdown whilst cutting grass in the veld for the community. Since the
April-11	M562	K0012177	A0004285	Audi Newcastle	Vehicle Maintenance	76 012.35	The Audi Q7 3.00 TDI V6 vehicle for the mayor which was purchased does not come with a maintenance plan or any extras. A quotation from Audi Newcastle was received with two options.
May-11	M575	P10048	A0005083	Auto Motors	Power supply card	1 534.00	Sole supplier of E10 traffic controllers
May-11	M586	P10198	A0005737	CT lab	Modems for quality of safety	17 442.00	CT Lab is the sole supplier of the GPRS's Comms Modems.
May-11	M587	P10114	A0005733	HV Test	Catridges for cable spiking gun	10 816.84	HV Test is the sole suppliers of the spiking gun
May-11	M589	p10198	A0005739	Landis & Gyr	Repairs to incandu sub-station	13 132.32	Landis + Gyr are the sole suppliers of ZMD and FBC meters in SA
May-11	M590	P10146	A0005671	FLINT CONSTRUCTION	Repairs of Stacks and fishplates on the NPC	25 800.00	A complaint was received from Spoornet Rail Inspector. We concur with the Spoornet Inspector that faults have developed requiring urgent attention.
TOTAL						4 635 793.63	

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
COMMUNITY SERVICES: JULY 2010 - JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/323	222278	76364	M & L Laboratory	Testing of borehole	2 800.00	The borehole water at the Waste Disposal Site is required to be tested twice in a year, January and July. The water is being pumped out from the two boreholes at the site and the samples are then sent to a company in Johannesburg called M & L Laboratory Services which we have dealt with previously and are also an accredited laboratory.
July-10	M/318	NN40209	76362	Motor & Diesel Tech	Repairs to tractor	1 719.12	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
July-10	M/319	NN21482	76363	Motor & Diesel Tech	Repairs to skip	1 527.60	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
July-10	M/324	NN48581	76428	Tren Tyre	Tyre re-treading	473.10	This vehicle went for re-treading, unforeseen additional repairs were discovered and these tyres could not be retreaded before repairs are done on tyres.
July-10	M/325	NN40207	76355	Motor & Diesel Tech	Repairs to tractor	775.20	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
July-10	M/330	NN40326	76354	Indodha Truck Centre	Warranty service	8 207.72	The Waste Management fleet for Newcastle Municipality East purchased a Man Compactor Truck. The vehicle is due for a 200 hour services. The service must be carried out by the authorised agents, Indodha Truck Centre for warranty purpose.
July-10	M/327	262307	76473	Lexis Nexis	Latest amendment of the Act	619.02	The latest amendment of the Act is available from Lexis Nexis who is the government approved publishers of the statutes.
July-10	M/328	266463	76589	Hamilton Hydraulic Services cc	Hydraulic fluid	1 806.90	Hamilton Hydraulic Services cc is the sole supplier of this in South Africa
July-10	M/277	140283	76013	Uthukela Water	Water samples	1 337.91	Uthukela Water is the only service provider in Newcastle.
July-10	M/312	140249	76356	Donsi Suppliers & General Services	Condonement of payment	1 500.00	A HIV/AIDS counselling and testing campaign was held on 27 May 2010 in the Newcastle CBD. Requests were received to extend the campaign to Osizweni the following day. On 28 May 2010 arrangements had to be made for the provision of a tent in Osizweni. An Expenditure of R1500.00 incurred which included an amount of R 400.00 for transport.
July-10	M/326	262469	76472	Nashua	Toner	1 710.00	Nashua is the only service provider for this toner
August-10	M/331	NN40002	76465	Motor & Diesel Tech	Repairs to tractor	775.20	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/333	NN59703	76963	Motor & Diesel Tech	Refuse compactor trailer	22 264.20	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/334	NN88888	76965	Babcock Equipment	Repairs to excavator	9 032.51	Babcock Equipment was awarded the tender for the purchase of this specialised heavy-duty plant hire equipment and is the only service provider for the repairs/maintenance of the equipment.
August-10	M/345	NN61241	76953	Tren Tyre	Call out	3 741.48	Tren Tyre was awarded a bid for supply, delivery and repairs of the tyres for the Municipal Fleet. Tren Tyre was called out on a Sunday for repairs to the NN 61241 resulting in a new 900R20 Dunlop tyre being fitted at a cost of R 3741.48.
August-10	M/351	NN48329	76966	Motor & Diesel Tech	EET Refuse Compactor Tractor	1 370.28	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/352	NN38205	76967	Motor & Diesel Tech	Trailer	1 094.40	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/353	NN39283	76968	Motor & Diesel Tech	Tactor	1 111.50	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/354	NN29908	76969	Motor & Diesel Tech	Trailer	1 674.66	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/355	NN48329	76961	Motor & Diesel Tech	Tractor	1 333.80	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/356	NN47555	76960	Motor & Diesel Tech	Tractor	1 561.80	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.

August-10	M/357	NN32483	76959	Motor & Diesel Tech	Trailer	1 912.92	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/358	NN59703	76958	Motor & Diesel Tech	Trailer	1 573.20	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/363	NN49904	76957	Motor & Diesel Tech	Trailer	1 909.50	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/364	NN40208	76962	Motor & Diesel Tech	Tractor	2 038.32	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
August-10	M/365	NN77777	76964	Bell Equipment	Bomag	8 009.74	The Waste Management division's heavy duty plant equipment for the Waste Disposal for Newcastle West is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the equipment. Bell Equipment is the only service provider for the repairs/maintenance of the equipment.
August-10	M/369	NN40209	77587	Motor & Diesel Tech	Repairs	11 203.92	Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & DIESEL Tech was awarded the tender to service the fleet.
August-10	M/367	268285	77382	Safari Combat & Arms	Ammunition	3 700.00	During a shooting exercise held it was established that the rifles that was used to shoot at the targets were faulty, which resulted in the officers not being able to pass the test, therefore 370xR5 rounds 5.56x45mm AMMUNITION had to be collected from Safari Combat&Arm from newcastle to complete the shooting test as they are the only firearms dealer in newcastle.
August-10	M/368	268227	76825	DPS	DPS Security for the mayor	289 600.20	Due to sensitive nature for security it was not practical to call for quotations as the mayor had to choose the security company that he is comfortable with
August-10	M/335	NN24389	75732	C.B.S	Clutch kit	558.60	Tractor clutch kit was quoted on 21 June 2010 while waiting for an official order and the quotes from different companies, there was a price increase after the order was done form C.B.S Suppliers.
September-10	M/385	NN58760	77150	Motor & Diesel Tech	Repairs	1 721.40	Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & DIESEL Tech was awarded the tender to service the fleet.
September-10	M/392	NN31166	77584	Motor & Diesel Tech	Repairs	1 524.18	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/393	NN30639	77583	Motor & Diesel Tech	Repairs	781.81	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/394	NN29908	77585	Motor & Diesel Tech	Trailer	4 514.40	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/395	NN47555	77586	Motor & Diesel Tech	Repairs	2 394.00	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/396	NN21482	77582	Motor & Diesel Tech	Repairs	752.40	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/402	NN58706	77717	Motor & Diesel Tech	Repairs to Corsa Bakkie	2 864.82	The Waste Management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/404	NN40326	77718	Indoda Truck	Warranty service	8 207.72	THE Waste Management fleet for Newcastle East purchased a Man Compactor Truck. The vehicle is due for a 400 hour service. The service must be carried out by the authorised agents, Indoda Truck Center for warranty purposes
September-10	M/406	NN24018	77722	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/407	NN38205	77723	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/408	NN37050	77724	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/409	NN32483	77725	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/410	NN49904	77726	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.

September-10	M/411	NN59703	77727	Motor & Diesel	Repairs Trailers	4 514.40	The Waste management fleet for Newcastle East is serviced by an external service provider due to the mechanical workshop not having sufficient capacity to maintain the fleet. Motor & Diesel Tech was awarded the tender to service the fleet.
September-10	M/400	P10686	77380	Northern Cleaning Services	Purchase of Industrial Vacuum Cleaner	4 598.76	There is only one supplier available in Northern Natal where they can purchase & service industrial vacuum cleaner
September-10	M/401	P10463	77381	Northern Cleaning Services	Purchase of Janitorial Trolley	1 710.00	Northern Cleaning Services is the only service provider in NN who provide Janitorial Trolley
September-10	M/337	120290	77220	A N Kheswa	Traditional Zulu Mats	580.00	Purchase of 5 Zulu Traditional Mats for the collection at Fort Amiel Museum. As these are unique items, which were made by different artists supplied by one supplier, three quotations could not be obtained
October-10	M/418	NN47555	78209	Motor & Diesel	Refuse Tractor	533.52	The tractor had a breakdown (oil leaks and brake). Our Municipal Mechanical workshop was busy then the outside company Motor and Diesel Tech was available and was sent out the breakdown.
October-10	M/420	NN21487	78210	Motor & Diesel	Repairs of Isuzu refuse truck	478.80	Refuse truck had a breakdown (broken air pipe plus brakes adjustment). Municipal Mechanical workshop could not attend to the breakdown and Motor and Diesel Tech was the available company.
October-10	M/425	NN61241	78211	Motor & Diesel	C.O.R Repairs for Skip Truck	1 366.86	Motor & Diesel Technology was awarded a Tender for servicing & repairing the Municipal fleet, while they were servicing this vehicle we felt that they must continue with C.O.R and the Municipal Workshop is under staff.
October-10	M/433	NN47555	78300	Motor and Diesel	Brakes Repair	4 514.40	Tractor and trailer were being serviced at Motor and Diesel Tech and the brakes were found to be worn out and has to be repaired by the M.D.T whilst servicing the machine.
October-10	M/441	264110	77612	Quick Med Pharmacy	Sunscreen Lotion	5 877.00	Verbal agreement between Municipal unions & Protection Services in 2006 to purchase sunscreen lotion for Traffic Officers, one of the traffic officers contracted skin cancer as a result of exposure to sunlight
October-10	M/423	P10208	77628	S.E.M.R Security	Repairs to alarm system Arbor	2 490.90	House breaking & Theft occurred on the 8th to 9 September 2010 Newcastle during this incident the alarm was damaged and had to be repaired immediately. SEMR Security was called to execute the necessary repairs.
October-10	M/439	268227	78190	Sukuma Security Services	Security	64 258.65	Provisioning of external security service at Blaauwboosch
October-10	M/429	221313	77990	Trevor Smith	Purchase of Trophies	3 455.00	Trevor Smith is the only preferred service provider because their type & style of trophies is not available from other suppliers
October-10	M/414	NN60335	77921	Farmtrac Dundee	Warranty service 300HRS	2 641.17	Approval is requested for a warranty service of 300 hours service. Should the repairs or service with the dealer be not done the warranty will fall off
October-10	M/430	403483	78153	M Landscaping	Renovations	77 252.49	A decision was taken that quotations be called from reputable companies to render the service. Due to insufficient time available, the department could not follow the normal SCM process hence a request that the attached companies be appointed to render this services.
October-10	M/430	403483	77860	Executive Landscaping	Landscaping of nn entrance	90 017.82	A decision was taken that quotations be called from reputable companies to render the service. Due to insufficient time available, the department could not follow the normal SCM process hence a request that the attached companies be appointed to render this services.
October-10	M/431	403463	77879	Northern Cleaning Services	Repairs to wip SQ450	877.80	Northern Cleaning Services is the only service provider in NN who provide Vacuum cleaner
October-10	M/440	K10640	78299	Menmat	Warranty Service	1 838.26	Since the vehicle is still under warranty the Council is bound to do maintenance service and repairs with the dealer.
October-10	M/422	122304	77822	Artworks Gallery	Acquisition of special work	11 560.00	Purchase of artworks is available from one source only as it is a special works of art.
October-10	M/432	411321	77645	Imvusa 895 cc	Sound System	18 500.00	Imvusa was the only service provider who meets the requirements.
October-10	M/434	411321	78191	Zenze Trading Enterprise	Sound System, Video & DVD	12 000.00	The Newcastle Games is currently taking place, as a result previously for the preliminary draw, the department utilized the services of the Zenze Trading Enterprises for the recording and video. Again the department requests that the same company be used for the finals so that there can be a continuation of recording and video.
November-10	M/450	NN58760	78688	Motor & Diesel	Additional Repairs	3 604.68	Unforeseen additional repairs after servicing Opel Corsa NN58760 cleaning vehicle
November-10	M/463	NN40002	A0000837	Motor & Diesel Tech	Break-Down Repairs	7 050.90	This vehicle had a breakdown on Madadeni Road with broken P.T.O shaft, pulley and belts. Due to the workload the Municipal workshop could not carry out repairs as we are under staff. Then the repairs were given to Motor and Diesel Tech the company holding the tender for servicing municipal fleet.
November-10	M/468	NN40326	79073	Indoda Truck	Warranty Service	8 107.09	Service for vehicle that is due for a 600 & 800 hour service
November-10	M/461	P10204	A0000803	Nashua	Toner for Fax Machine	1 710.00	Sole supplier of toner for fax machine as it is manufactured by Nashua
November-10	M/480	010262010307	A0000804	Juta & Company	Amendment to the road traffic act	1 527.00	The latest amendment of the Act is available from Juta and Company who is the government approved publishers of the statutes.
November-10	M/453	221313	78617	Milnex 725 T/A Dylmeg	Miniature table trolley bins, green dustbin and delivery	10 545.00	There is only one service provider in the country for the supply of these miniature trolley bins.
November-10	M/469	221313	78836	Andiswa Catering Company	Catering services	54 174.00	It is anticipated that the quotations will exceed R30000 and time will not allow to go through the SCM procedure
November-10	M/465	403110	78718	Regit 15 Investments	Tracksuits	77 000.00	Community Services was involved in selection of athletics from the various wards of Newcastle, in preparation for the team that will represent Amajuba District in the finals of KwaNaloga Games that will take place. Amajuba District has appointed Regit 15 Investments as their service provider.

November-10	M/475	403110	78973	Mngcobo Construction	Golf Shirts	59 500.00	Community Services was involved in selection of athletics from the various wards of Newcastle, in preparation for the team that will represent Amajuba District in the finals of KwaNaloga Games that will take place. Amajuba District has appointed Mngcobo Construction Investments as their service provider.
November-10	M/479	403463	78997	Northern Cleaning Services	Wap Maxi 7 Vacuum cleaner	8 328.84	Northern Cleaning Services is the sole agent for industrial vacuum cleaners in Newcastle.
November-10	M/444	P10370	A0000813	CSX	Service Agreement for 3M Security System	7 716.66	CSX is the sole supplier of 3M equipment in South Africa
November-10	M/444	P10330	A0000811	CSX	Service Agreement for 3M Security System	7 716.66	CSX is the sole supplier of 3M equipment in South Africa
November-10	M/444	P10384	A0000812	CSX	Service Agreement for 3M Security System	7 716.66	CSX is the sole supplier of 3M equipment in South Africa
November-10	M/444	P10357	A0000810	CSX	Service Agreement for 3M Security System	7 716.66	CSX is the sole supplier of 3M equipment in South Africa
November-10	M/470	P10356	78988	Northern Cleaning Services	Acquisition of Electrical Equipment	4 209.95	Approval is herewith requested to have the following electrical equipment repaired from a sole service provider. Northern Cleaning Services is the only reputable dealer who is prepared to repair these old industrial machines.
November-10	M/470	109469	78983	Northern Cleaning Services	WAP SSE 430 floor scrubber	2 292.75	Approval is herewith requested to have the following electrical equipment repaired from a sole service provider. Northern Cleaning Services is the only reputable dealer who is prepared to repair these old industrial machines.
November-10	M/470	P10369	78989	Northern Cleaning Services	Vacuum cleaner	463.40	Approval is herewith requested to have the following electrical equipment repaired from a sole service provider. Northern Cleaning Services is the only reputable dealer who is prepared to repair these old industrial machines.
November-10	M/470	P10383	78990	Northern Cleaning Services	Vacuum cleaner	444.60	Approval is herewith requested to have the following electrical equipment repaired from a sole service provider. Northern Cleaning Services is the only reputable dealer who is prepared to repair these old industrial machines.
November-10	M/454	411321	78705	The George Hotel	Accommodation	156 180.00	This serves to inform you that the Newcastle Municipality Councilors and officials from community services department will be attending the KwaNaloga Games that will be hosted by uThungulu Municipality as from 10-14 December 2010. Due to the nature of this event we were unable to obtain 3 quotations as specified by the SCM policy as all the hotels in Richards Bay and surrounding areas are fully booked.
December-10	M/486	NN21487	A0001211	Motor&Diesel	Emergency Repairs	55 924.98	Emergency Repairs complete engine overhaul
December-10	M/487	NN40326	A0001264	Indoda Truck	Warranty service	8 634.28	The Vehicle is due for 1000 hour service
December-10	M/488	NN40326	A0001263	Indoda Truck	Warranty service	11 308.79	The Vehicle is due for 1200 hour service
December-10	M/455	010268010227	A0001244	Sukuma Security Services	Additional Security	14 866.04	Sukuma security services was utilized to render the services, as they are current pre-furred and contracted security service provider
December-10	M/456	010268010227	A0001245	Sukuma Security Services	Deployed Security	10 086.78	Sukuma security services was utilized to render the services, as they are current pre-furred and contracted security service provider
January-11	M/485	010140010290	A0002618	Lexis Nexis	Legislation updates	513.11	Sole provider for this type of service
January-11	M/489	010268010227	A0002021	Sukuma Security Services	Security Services	10 709.78	Provision of additional external security services at councillor Nzuza residence for November
January-11	M/490	010268010227	A0002022	Sukuma Security Services	Security Services	21 419.55	Provision of additional external security services at councillor Ngcobos residence for November
January-11	M/491	010268010227	A0002023	Sukuma Security Services	Security Services	63 930.93	Sectorial Determination wage increase for 2010
January-11	M/492	P10206	A0001844	Millennium Mail Natal	Repair PC Board	3 346.47	Millennium Mail Natal cc is the sole supplier for this equipment
January-11	M/493	010120010311	A0001788	Boere Music	Provision of special cultural	800.00	Approval is requested to use Mirage Band&Disco for provision of live music at the Spook aan&Sokkie function at Fort Amiel museum
January-11	M/494	P10204	A0001802	Truvelo Manufacturers (Pty) Ltd	Service and calibrate speed timing devices	7 866.95	Truvelo is the sole supplier for this equipment and the only firm that do field services.
January-11	M/496	010262010307	A0002362	Government printing works	Road signage	3 033.93	Government printing works is the sole supplier of the road traffic signs manual
January-11	M/497	010262010307	A0002361	lexisNexis	delivery, handling, road traff	1 063.62	The latest amendment of the Act is available from LexisNexis who is the government approved publishers of the statutes.
January-11	M/498	010015010290	A0002333	sugarbelle	Purchase of Books	520.00	The books were purchased directly from the publisher, 3 quotations could not be obtained.
February-11	M/508	P50842	A0002470	Lappies Cleaning Services	Extracting of storm water in activi	1 425.00	Due to heavy rain storms, in dec, the Library was flooded. In an attempt to prevent any damage to the carpet, Lappies Cleaning Services was contacted to extract the water from the carpets.
February-11	M/508	P50846	A0002472	Lappies Cleaning Services	Extracting of storm water in activi	2 475.00	Due to heavy rain storms, in dec, the Library was flooded. In an attempt to prevent any damage to the carpet, Lappies Cleaning Services was contacted to extract the water from the carpets.
February-11	M/514	NN88888	A0002579	Babcock Equipment	Service excavator	4 825.43	This is a specialized item and Babcock Equipment is the only service provider for the repairs of the equipment.
February-11	M/515	010262010307	A0002871	Lexis Nexis	Amendment	1 127.46	Amendment to the road traffic transport issue 28
February-11	M/518	NN77777	A0002823	Bell Equipment	Service bomag	26 912.48	Bell Equipment is the only service provider for the repairs of the equipment.
February-11	M/519	NN88888	A0002869	Babcock Equipment	Diesel pump excavator	4 051.34	This is a specialized item and Babcock Equipment is the only service provider for the repairs of the equipment.
March-11	M/522	010125010459	A0003474	Hurban Eletronics	Repairs+ testing of Neutel	7 387.20	Due to time constraints and the fact that Hurban Electronics performed work on the NDB previously they were requested to repair the NDB.

March-11	M/523	K10640	A0002550	Mainsys	desk top +printer	14 016.83	Urgent needed printer of the Chief Fire Officer, 3 quotes attached
March-11	M/525	010260010242	A0003469	AT'S	Removal of flood victims	2 850.00	Due to the flooding during January 2011, it was imperative that the flood victims be removed as a matter of urgency therefore it was not possible to obtain 3 quotations.
March-11	M/535	010015010258	A0003146	BMS Computing	Installation cost-wireless	7 000.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010065010258	A0003145	BMS Computing	Installation cost-wireless	7 000.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010108010258	A0003144	BMS Computing	Installation cost-wireless	7 000.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010118010258	A0003143	BMS Computing	Installation cost-wireless	7 000.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010119010258	A0003142	BMS Computing	Installation cost-wireless	7 000.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010015010258	A0003141	BMS Computing	Installation cost-wireless	980.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010065010258	A0003140	BMS Computing	Installation cost-wireless	980.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010118010258	A0003139	BMS Computing	Installation cost-wireless	980.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010119010258	A0003138	BMS Computing	Installation cost-wireless	980.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/535	010120010330	A0003137	BMS Computing	Installation cost-wireless	980.00	BMS Computing has already installed a lot of infrastructure to link al the municipal satellite offices to the building for the smooth running of the new Financial Management System.
March-11	M/537	P10204	A0003473	Trans-Atlantic Equipment	timing device	13 851.00	Sole provider of speed timing device
March-11	M/543	010140010276	A0003477	Health practitioner	Registration	2 742.00	Health Professional Council is the only existing institutional to register in order to obtain a lic
March-11	M/544	P0010258	A0003528	Northern Cleaning S	Repairs	889.20	Northern Cleanign Services is the only local company who service these industrial floor scrub
March-11	M/524	010222010274	A0003483	Uniclox Technologies	Renewal of licence	2 648.52	Uniclox is the sole provider for this service.
April-11	M550	P0012243	A0004059	Phuti Trading	Patent swivel	149 796.00	Phuti Trading & Supplies are the only service provider and the bins has a patent number.
April-11	M551	010222010284	A0004310	Newcastle tool	Sludge Pump	1 800.00	The Waste Management division hired a water pump for ten days to pump water from the trench at the waste disposal. At the time of hiring the water pump, it was anticipated that the volume of water would require only ten days completion. However, as a result of increased rainfall, it resulted in further 4 days at he cost of R 719.98.
April-11	M553	NN40326	A0004097	Indodha Truck	Warranty Service	7 747.51	The truck is due for a 1400 hour service immediately and within 4 weeks for a 1600 hours service. The service must be carried out by the authorised agents, Indodha Truck Centre for warranty purposes.
April-11	M552	P10204	A0004096	Nashua	Toner	1 710.00	Only supplier for foner manufactured by Nashua
April-11	M566	010262010307	A0004690	Lenix Nexis	Amendment to the traffic issue	408.12	The latest amendment of the Act is available from Lexis Nexis who is the government approved publishers of the statutes.
April-11	M556	01229625029	A0004160	Nicolaas Maritz	Art work - Farm view	20 061.05	Purchase of artwork is available from one source only
May-11	M573	P10250	A0005418	Northen Cleaning Services	Repair cleantech polisher	1 305.30	Northern Cleaning Services is the only service sprovider in Newcastle who repair industrial polishers.
May-11	M574	010220010290	A5312	David Krunt	Publications	690.00	David Krunt Publshy is the only supplier in piblications.
May-11	M578	010221010313	A0005273	Phuti Trading&Suppliers	Swivel Bins	23 541.00	Phuti Trading & Supplies are the only service provider and the bins has a patent number.
May-11	M579	K12153	A0005728	Natal artis trust	Artworks	1 000.00	Purchase of artwork is available from one source only
May-11	M580	010122010304	A0005350	KZNSA Gallery	Artworks	500.00	Purchase of artwork is available from one source only
May-11	M581	K12153	A0005730	KZNSA Gallery	Artworks	1 500.00	Purchase of artwork is available from one source only
May-11	M584	010222010290	A0005753	3 S Media	Purchasing of journals	675.00	Sole Supplier of journals
May-11	M591	010200010304	A0005905	P G Kumlehn	Books	111.00	Purchase of artwork is available from one source only
May-11	M592	010120010304	A0005888	carnegie art gallery	crafts	6 847.00	Purchase of artwork is available from one source only
May-11	M594	010222010278	A0005883	M & L Laboratory	testing of water @ arcom dam	3 000.00	M & L Laboratory is the only closest laboratory, bacteriological sample need to reach them within five hours
June-11	M577	P10391	A0005918	Slagcrete	hire of dozer	46 683.00	The preferred service provider S & H Blasting & Compressor Hire has failed to deliver the plant equipment on the date agreed. The second highest service provider was contacted.
TOTAL						1 773 847.86	

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
BUDGET AND TREASURY OFFICE: JULY 2010 - JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/322	990001	3895	Elba Chemicals	Cleaner busbar	6 985.01	This is a specialized item that is only manufactured and supplied by Elba Chemicals
July-10	M/316	208110		Paper House	Protective clothing	4 100.00	If it is approved that all weather jackets and warm socks be procured the the admin staff would also want the same and air-conditioners in the offices also need to be replaced as it can either not be repaired or it is not working sufficiently.
August-10	M/350	205469	76657	B M S Computing	Local area network expansion	7 224.00	The last financial management system project review meeting, it was agreed that the expedite the expansion of our Lan in preparation for the installation of the new workstations to be bought& installed soon, due to insufficient timelines.
August-10	M/361	200243	76889	B M S Computing	Printer Cartridges	380.00	Invited three suppliers to quote only one received
August-10	M/366	205469	76643	BMS Computing	Lan	513.00	Salaries accountant needs to be connected to the lan urgently to be able to access theVIP system
September-10	M/413	P12047	77603	BMS Computing	CBRE -MEDVAL	1 240.00	Four users in the Finance Department need to be connected to CBRE-MEDVAL valuation system
September-10	M/383	205469	77205	BMS Computing	Run networkpoints	1 026.00	Two accountants one in Supply Chain&the other inSalaries need to be connected to the LAN urgently for them to be able to access Financial systems
September-10	M/373	990001	77219	Professional Locking Solution	Purchase of stock item	18 228.60	Requested for purchase of store item B070355,Locks:Meter Kiosk/Substation:Keyed Alike:Shackle size 42-45MM:Mod Lock:Not Brass,as per the attached quotation,this is a specialized item that is only manufactured & supplied by Proffesional Locking Solutions
October-10	M/294	K12075	78307	AZ Trading CC	Heavy Duty shredder	21 037.50	We request approval for the purchase of a heavy duty shredder from AZ Trading CC,in the amount of R21 037.50. It should be noted that I first tried to source the equipment locally, however received no response from two businesses contacted.
October-10	M/438	K12078	78322	BMS Computing	Replacement of Typist Printer	2 132.30	Authorisation is requested to replace the printer with a similar printer,according to the quotes
November-10	M/458	200243	78443	G4S Security	Ordering of Security Money	9 678.60	G4S services collects the monies that are taken by cashiers on a daily basis, therefore we can only order the security money bags form G4S.
November-10	M/476	P12147	79084	BMS Computing	Repair of Network Printer	1 150.00	Approval is requested for purchase of a refurbished fuser unit from BMS Computing for the network printer located in office G3 of the Income Section.
December-10	M/484	010900010001	A0001249	Professional Solutions	Purchase of stock item	18 228.60	Approval is requested for purchase of store stock item B070355, Locks
January-11	M/503	010070010355	A0002377	Professional Solutions	Meter kiosk locks	18 228.60	Specialized item that only manufactured and supplied
Apr-11	M565	07020027021	A0004298	Vesta	swift document manager	1 500 000.00	The BTO is in urgent need for an Electronic Document Management System for the purpose of managing documents electronically. The fact that a large number of documents went missing in the last financial year, it is important that measures be taken to mitigate and avoid this risk.
April-11	M554	10200010285	A0003898	Pragma	Asset tags	7 774.00	This is a specialized item that is only manufactured and supplied by Pragma Africa.
May-11	M595	ST-1178	A0004942	Starz Towing and Forklift Hire	hire of forklift	650.00	The supplier of the lime does not provide an offloading service as they are not from Newcastle
TOTAL						1 618 576.21	

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
DEVELOPMENT, PLANNING AND HUMAN SETTLEMENTS: JULY 2010 - JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/332	123255	76321	Zakhele Hlabisa	Rental of house	12 000.00	This victim's house collapsed and the municipality was forced to relocate the individual to private accommodation while the house was to be reconstructed.
July-10	M/308	161294	76353	S.E. Lauterbach & Associates	Condonement of payments	2 394.00	S.E. Lauterbach & Associates were requested to survey portion 5 of the Farm Johnstown to enable the Estates & Land Section to negotiate the purchase of the relevant portions thereof for further housing development.
July-10	M/309	161294	76352	De Jager Baqwa	Condonement of payments	1 422.00	De Jager Baqwa are currently attending to vesting transfers in terms of the Enhanced Extended Discount Benefit Scheme. The title deed pertaining to one of the properties, erf 10603 Newcastle (Arbor Park) had been lost and application was made for a certified copy to be issued.
September-10	M/375	P10654	77136	Canon	Additional extensions&phones	2 131.80	The Divisional of Housing&Land had to urgently accommodate the Estate&Land Department on the 20th July 2010 as they had to relocate from the main building. Certain offices at present are being occupied by two officials. This is why additional extensions&telephones lines had to be installed.
September-10	M/376	P10654	77137	BMS Computing	Installation of networkpoints&cables	741.00	The Divisional of Housing&Land had to urgently accommodate the Estate&Land Department on the 20th July 2010 as they had to relocate from the main building. Certain offices at present are being occupied by two officials. This is why more networkpoints&cables had to be installed.
September-10	M/377	123469	77132	NN Carpets	Replacement of quarter rounds	600.00	NN Carpets came to fit in the carpets; the quarter rounds&skirtings had to be removed. They found out that quarter rounds were rotten&this caused it to break out&could no longer be reused. NN Carpets was requested to submit a quotation for the quarter rounds as it was not practical to go out on quotations again, NN Carpets was the successful procured supplier for the job.
October-10	M/421	123298	78061	SE Lauterbach	Condoned Payment	3 309.00	S.E. Lauterbach were requested to amend the road servitude diagram in respect of portion 9 and to prepare sketch plans for portions 7 and 94 of the Farm Blaauwboschlaagte no. 8892. Authorisation of payment of the service fee required.
November-10	M/446	992050	78619	De Jager Baqwa Maritz	Issue of Deeds of Grant	1 050.00	Authorisation of payment of the services rendered by De Jager Baqwa Maritz
November-10	M/447	123298	78618	De Jager Baqwa Maritz	Registration of a CRT	1 478.00	Authorisation of payment of the services rendered by De Jager Baqwa Maritz
November-10	M/448	123298	78620	De Jager Baqwa Maritz	Registration of a Servitude	2 390.00	Authorisation of payment of the services rendered by De Jager Baqwa Maritz
November-10	M/471	121373	78822	Osizweni Theatre	Osizweni Theatre Production	16 000.00	Osizweni Theatre Production group was the one of the local groups that entertained the international guest at the Newcastle alliance meeting.
November-10	M/472	121373	78821	Pure Sound	Hire of Sound system International Village	350 002.80	Sound system was used due to the urgency of the arrangements it was not possible to go out on tender.
November-10	M/473	121373	78816	Blackrock Casino	Conference fees	30 412.50	Black Rock Casino was more convenient for the international guest to have the work sessions at one venue.
January-11	M/501	010161010298	2229	S E Lauterbach	Survey work, tube done	2 850.00	S E Lauterbach is the only survey company in town they were requested to provide us with an invoice for this service, only when the payment is done the survey work will be done.
May-11	M567	K0010567	A0004688	Lindokuhle mzansi Trading	Rental of equipment	8 500.00	The notice was given to our Department on Wednesday 13 April 2011 by the office of the mayor and there was no time to follow SCM processes due to short notice.
May-11	M568	010161010298	A0004778	S E Lauterbach & Ass	Survey work & assistance done	12 868.00	Instruction was given to S.E. Lauterbach and Associates for the amendment of sketch plan for portion 7 of the Farm Blaauwbosch, certified diagrams, copies of the property and relocation of beacons. The said firm is involved in the JBC Nodal Development as all homestead and road areas to be purchased or already purchased by the Council were surveyed by them.
May-11	M569	010161010298	A0004777	S E Lauterbach & Ass	Survey work & assistance done	48 988.00	Instruction was given to S.E. Lauterbach for the amendment to the sketch plans, road & telkom servitudes, compilation of sites (GIS-SDF). The said firm is involved in the supply of schedule plans.
May-11	M570	010161010243	A0004776	S E Lauterbach & Ass	Survey work & assistance done	16 302.00	Instruction was given to S.E. Lauterbach for the compilation of State Domestic Facilities diagrams, windweed searches and plans in triplicate. The said firm is involved in the supply of schedule plans.
May-11	M576	010123010298	A0005102	De Jager Baqwa Maritz	Registering for a certificate of consolidated title	3 530.00	instruction for legal work& assistance
May-11	M582	K12346	A0004741	AO Avenue	plotter for GIS office	46 249.80	the 1st supplier didn't meet the standard & the second supplier was chosen
TOTAL						563 218.90	

SECTION 36 DEVIATIONS APPROVED BY THE ACCOUNTING OFFICER : 2010/2011
OFFICE OF THE MUNICIPAL MANAGER: JULY 2010 TO JUNE 2011

Month	Reference Number	Vote/Vehicle/Project Number	Order Number	Supplier	Item Description	Value	Reason(s)
July-10	M/293	105351	75490	Zamlanda Catering	Additional chairs	3 380.00	On Ward 7 Public Meeting we requested 300 chairs and on the particular day we had to increase it to 500 chairs as people attended were about 500. Most of the people attended were the elderly people and in particular women.
August-10	M/344	105351	74538	M-Charlie trading	Additional of 200 people	9 700.00	Request for authorisation for the catering additions made by M-Charlie Trading Enterprise on the 09 May 2010 during the Osizweni Widows Launch event.
August-10	M/359	300351	76658	Simamane Construction	Tents,Chairs,Tables,PA systems	52 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76629	Amahlasamahle Trading Enterprise	DVD Copies	99 800.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76635	Akwande Ntima Contractors	Food Packs	94 335.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76636	Town Treasurer	Municipal accounts	25 665.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76631	Ukhamba Services	Food Packs	60 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76632	Silver Solution 1606 cc	Food Packs	60 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76633	Amajuba Caterers	Stage Decoration	54 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76634	Aukie Transport & Security	Provide transport & security	60 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached,procurement policy could not be followed as the meeting was arranged at short notice.

August-10	M/359	300351	76637	Transnat Coachlines	Buses	90 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached.procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76638	Asanda Amatimba Contractors	Catering services	36 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached.procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76641	SRB Suppliers	Catering services	60 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached.procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76640	Staride	Marketing & Promotion	90 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached.procurement policy could not be followed as the meeting was arranged at short notice.
August-10	M/359	300351	76639	Ngwane Projects	DVD & Covers	110 000.00	Interms of section(1)(a)(V) of the Supply Chain Management Regulation the Accounting Officer may dispense with the official procurement process,which may include direct negotiations,but only in an exceptional case where it is impractical or impossible to follow the official procurement process;you are hereby requested to approve the payment of service providers for the service rendered at the Mayoral Imbizo 100 days in office on 14 August 2010 as per quotations attached.procurement policy could not be followed as the meeting was arranged at short notice.
September-10	M/387	301243	77235	Wallons	Acquisitions of phillips dictaphone cassettes	2 223.00	Requisition to purchase 15 phillips cassettes for the disciplinary enquiries,they are all supplied by one supplier
September-10	M/391	K10719	77217	Enzekayo Office Furniture	Acquisitions of furniture /SAFALO	10 944.00	As a newly established unit,we have to procure furniture for establishment,they have gone around local suppliers .their furniture is double the price of what Enzekayo Office furniture charges,quotations were requested from town and out of town suppliers,only two quotations were received
September-10	M/391	K10719	77216	Enzekayo Office Furniture	Acquisition of furniture/Vilors chairs	9 234.00	As a newly established unit,we have to procure furniture for establishment,they have gone around local suppliers .their furniture is double the price of what Enzekayo Office furniture charges,quotations were requested from town and out of town suppliers,only two quotations were received
November-10	M/477	105230	79048	Famedia Consulting	Delegation of Powers	153 240.00	Due to the complexity of the process a service provider has to be appointed to assist in compilation and workshoping the powers and delegation to the Senior Management. Call for quotation was not sent out to service providers. Due to the short notice that was given.
November-10	M/478	105320	79049	Famedia Consulting	Procurement of the service provider	184 782.50	Due to the short notice and urgency in appointing a service provider, and taking into consideration that Famedia Consulting are already in the process of developing Delegations for Newcastle Municipality were requested to submit a proposal for the Procurement of the service provider for facilitation for the strategic planning workshop of extended manco.
Mar-11	M545	010300010351	A0003438	Simamane Construction	Toilets hire	4 500.00	Due to short notice Simamane were asked to assist with hire of toilets.
April-11	M546	010302010273	A3981	Mahlamvana	tents and chairs	4 530.00	Quotations were requested telephonically and one supplier could meet our request.
April-11	M547	010302010297	A0003339	Paper House	Linyards	1 710.00	Due to impracticality, we could not obtain quotations which were requested telephonically, as it was a short notice and an emergency.
April-11	M563	010302010273	A0004475	Kwathela Business Enterprise	Security fence	41 040.00	The security could only be done by Kwathela Business Enterprise as it is the only provider in the area.
June-11	M593	010260010242	A0006100	Victoria bed& breakfast	flood victims	1 400.00	Due to the flooding during January 2011, it was imperative that the flood victims be moved as a matter of urgency therefore it was not possible to obtain 3 quotations. The Mayors Office contacted 196 on Victoris Bed and Breakfast to accommodate residents affected by the floods.
June-11	M596	K12022	A0006024	Construction & Cutting	Plumbing repairs	13 362.28	There is a burst pipe at Phelandaba Stadium, the contractor on site, which is laying grass on the sport field cannot carry on with the job, because of the overflow of water.
June-11	M598	P10277	A0006083	ATNS	Survey of newcastle Airport & NDB	85 628.82	ATNS is the only company who submitted quotations for both the survey and flight procedure which is necessary for the NDB to perform its function

TOTAL	1 417 474.60
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NEWCASTLE MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS
FOR THE ENDED 30 JUNE 2011

							Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 30 June 2010	Received during the period	Redeemed / written off during the period	Balance at 30 June 2011		
LONG-TERM LOANS								
DBSA - 17 100 185 @ 9.26%	101965/1	2015/06/30	10 163 838	-		8 480 752		
DBSA - 1 405 000 @ 9.10%	101965/2	2010/06/30	1	-		-		
DBSA - 3 614 800 @ 9.31%	102322/1	2011/06/30	789 071	-		-		
DBSA - 8 585 000 @ 9.40%	102322/2	2013/06/30	4 698 929	-		3 273 576		
DBSA - 3 343 000 @ 9.45%	102322/3	2016/06/30	1 524 034	-		1 273 911		
DBSA - 24 285 550 @ 9.37%	102322/4	2021/06/30	15 140 743	-		14 156 593		
DBSA - 25 993 166 @ 9.10%	102653/1	2011/12/31	19 038 176	-		18 169 087		
DBSA - 1 150 000 @ 9.20%	102653/2	2021/12/31	618 255	-		387 434		
DBSA - 2 000 000 @ 11.85%	103131/1		1 627 570	-		1 627 570		
DBSA - 3 200 000 @ 11.64%	103131/2		3 128 672	-		2 783 407		
DBSA - 275 000 @ 11.45%	103131/3	2019/12/31	2 290 917	-		2 119 745		
DBSA - 12 750 000 @ 11.29%	103131/4	2024/12/31	4 792 665	-		4 628 858		
DBSA - 1 975 000 @ 11.25%	103131/5	2029/12/31	851 603	-		836 549		
Total long-term loans			64 664 473	-	-	57 737 482		
TOTAL EXTERNAL LOANS			64 664 473	-	-	57 737 482		

NEWCASTLE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

ANNEXURE A

EMPLOYEE RELATED COSTS FOR SENIOR MANAGERS

30-Jun-2011	MUNICIPAL MANAGER	CHIEF FINANCIAL OFFICER	CHIEF OF OPERATIONS	SED: TECHNICAL SERVICES	LEGAL MANAGER	INTERNAL AUDIT			
Annual Salary	894 464	531 529	616 917	553 149	668 012	536 887			
Performance Bonus	0	0	0	0	0	0			
Housing Allowance	0	0	0	24 000	0	0			
Car, Entertainment and Telephone Allowance	200 000	175 000	120 000	124 500	96 000	180 000			
Contributions to Medical and Pension Funds	105 536	149 752	33 072	154 633	92 270	0			
TOTAL	1 200 000	856 282	769 989	856 281	856 281	716 887			

30-Jun-2010	MUNICIPAL MANAGER	CHIEF OF OPERATIONS	CHIEF FINANCIAL OFFICER	SED: TECHNICAL SERVICES	LEGAL MANAGER	INTERNAL AUDIT	SED: CORPORATE SERVICES	SED: COMMUNITY SERVICES	SED: PLANNING AND DEV
Annual Salary	615 065	556 726	481 474	498 472	589 456	480 847	643 848	667 848	589 456
Performance Bonus	49 800	0	39 840	41 334	48 555	0	0	0	48 555
Housing Allowance	0	0	0	24 000	0	0	24 000	0	0
Car, Entertainment and Telephone Allowance	150 000	120 000	175 000	142 500	120 000	180 000	120 000	120 000	120 000
Contributions to Medical and Pension Funds	83 397	33 072	93 031	83 039	31 334	0	1 497	1 497	31 334
TOTAL	898 262	709 798	789 345	789 345	789 345	660 847	789 345	789 345	789 345

30-Jun-2009	MUNICIPAL MANAGER	CHIEF OF OPERATIONS	CHIEF FINANCIAL OFFICER	SED: TECHNICAL SERVICES	SED: PLANNING AND DEV	INTERNAL AUDIT	SED: CORPORATE SERVICES	SED: COMMUNITY SERVICES
Annual Salary	583 169	477 006	442 303	482 703	554 802	469 150	464 386	504 905
Performance Bonus	0	0	0	0	0	0	0	0
Housing Allowance	0	0	0	24 000	0	0	0	0
Car, Entertainment and Telephone Allowance	136 000	120 000	175 000	129 125	120 000	180 000	138 000	180 000
Contributions to Medical and Pension Funds	75 753	31 134	81 232	62 172	23 733	0	96 149	13 631
TOTAL	794 922	628 140	698 535	698 000	698 535	649 150	698 535	698 536

APPENDIX B

NEWCASTLE LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

	OPENING NET BOOK VALUE R	ADDITIONS R	UNDER CONSTRUCTION R	DISPOSALS R	DEPRECIATION R	IMPAIRMENT R	CLOSING NET BOOK VALUE R
Land and Buildings							
Land	78 090 000	1 970 584	0	0	0	0	80 060 584
Buildings	50 436 832	0	9 664 029	0	-1 410 535	0	58 690 326
	128 526 832	1 970 584	9 664 029	0	-1 410 535	0	138 750 909
Infrastructure Assets							
Roads	972 376 347	0	145 840 727	0	-206 147 873	0	912 069 201
Electricity	142 317 168	0	10 652 028	0	-6 877 719	0	146 091 477
Water	0	0	6 068 992	0	0	0	6 068 992
Sewerage	0	0	1 214 010	0	0	0	1 214 010
Stormwater	0	0	3 783 362	0	0	0	3 783 362
Other - Settlements	0	0	606 300	0	0	0	606 300
Service Connections	0	0	0	0	0	0	0
Reservoirs and Tanks	0	0	0	0	0	0	0
	1 114 693 515	0	168 165 419	0	-213 025 592	0	1 069 833 342
Community Assets							
Hawkers Shelters	0	0	396 687	0	0	0	396 687
Halls	0	0	300 000	0	0	0	300 000
Car Wash Bays	0	0	90 679	0	0	0	90 679
Libraries	0	0	0	0	0	0	0
Parks and Gardens	0	431 544	1 884 262	0	-2 397	0	2 313 408
Recreation Facilities	0	77 346	0	0	-645	0	76 701
Cemeteries	0	0	4 683 159	0	0	0	4 683 159
Stadiums/Sportsfield	0	0	1 520 623	0	0	0	1 520 623
Community Centres	0	0	0	0	0	0	0
	0	508 889	8 875 409	0	-3 042	0	9 381 256
Heritage Assets							
Painting & Art Galleries	0	26 361	0	0	0	0	26 361
Historical Buildings	0	0	0	0	0	0	0
Museums	0	0	0	0	0	0	0
	0	26 361	0	0	0	0	26 361

Other Assets							
Buildings other	0	0	0	0		0	0
Furniture and Equipment	26 897 535	10 911 323	0	0	-4 524 949	0	33 283 909
Motor Vehicles	26 860 864	0	0	0	-3 091 991	0	23 768 873
	53 842 959	10 911 323	0	0	-7 616 940	0	57 052 782
Assets Under Construction							
Cost	56 180 324	0	0	0	0	0	56 180 324
Other	0	0	0	0	0	0	0
	56 180 324					0	56 180 324
TOTAL	1 353 243 630	13 417 157	186 704 856	0	-222 056 109	0	1 331 198 613

	OPENING NET BOOK VALUE	ADDITIONS	UNDER CONSTRUCTION	DISPOSALS	DEPRECIATION	IMPAIRMENT	CLOSING NET BOOK VALUE
	R	R	R	R	R	R	R
Intangible Assets							
Software	325 371	450 211	3 278 599	0	-76 066	0	3 978 115
Other	0	0	0	0	0	0	0
	325 371	450 211	3 278 599	0	-76 066	0	3 978 115

0

APPENDIX C

NEWCASTLE LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010	2010	2010		2011	2011	2011
ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS / (DEFICIT)		ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS / (DEFICIT)
R	R	R		R	R	R
46 789 564	35 915 508	10 874 056	Executive & Council	191 546 771	132 526 675	59 020 096
319 047 285	151 624 111	167 423 174	Finance and administration	0	0	0
5 775 223	13 970 719	-8 195 495	Planning and Development	17 061 535	17 725 584	-664 049
1 710	2 569 541	-2 567 831	Health	3 643 108	55 603 379	-51 960 272
3 212 275	10 715 287	-7 503 012	Community and Social Services	409 443 698	36 062 941	373 380 758
5 929 629	10 015 840	-4 086 211	Housing	5 056 230	38 905 533	-33 849 302
3 167 269	20 775 627	-17 608 358	Public Safety	50 206 446	552 265 564	-502 059 118
577 609	23 015 572	-22 437 962	Sport and Recreation	29 990 419	93 821 939	-63 831 520
0	606 267	-606 267	Environmental Protection	2 476 194	8 779 736	-6 303 542
92 615 988	24 508 502	68 107 487	Waste Water Management	14 133 368	2 023 637	12 109 730
130 572 895	53 016 038	77 556 857	Waste Management	0	0	0
82 580 282	250 657 171	-168 076 889	Road Transport	89 151 890	56 977 901	32 173 990
197 048 331	112 050 282	84 998 049	Water	130 734 248	6 690 857	124 043 391
402 238 998	207 722 813	194 516 185	Electricity	195 471 529	61 685 862	133 785 667
113 194	327 079	-213 886	Other	2 732 725	1 803 362	929 362
			Corporate Services	25 304 124	248 079 889	-222 775 764
1 289 670 253	917 490 357	372 179 896	Sub Total	1 166 952 286	1 312 952 859	-146 000 574

<p style="text-align: center;">APPENDIX D NEWCASTLE LOCAL MUNICIPALITY DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2005</p>								
ACCOUNT CODE	DIRECTORATE	CONDITIONAL GRANTS AND RECEIPTS PURPOSES	NAME OF FUNDER	OPENING BALANCE	TRANSFERS	GRANTS RECEIVED YEAR TO DATE	EXPENDITURE YEAR TO DATE	BALANCE AT 30 JUNE 2011
	COMMUNITY SERVICES							
952011		UPGRADE EXITING CEMETRIES	AMAJUBA DM	(100 433.00)	-	-	-	(100 433.00)
952015		NC LIBRARY INTERNET PROJECT	KZN ARTS CULTURE	(2 708.53)	-	(90 000.00)	45 000.00	(47 708.53)
952037		F/LIB ISSUE COUNTERS SHELIVING	KZN ARTS CULTURE	(4 093.01)	-	-	-	(4 093.01)
952016		CONSTRUCTION/UPGRADE SPORT /RECREATION	KZN SPORT RECREATION	(1 281 450.00)	-	-	407 523.64	(873 926.36)
952017		MAYORAL PROJECTS	FNB	(2 097.21)	-	-	-	(2 097.21)
952035		PRIMARY H/CARE FACILITY	KZNPA HEALTH	(38.37)	-	-	38.37	-
952043		ESTAB SERVICE PRO WASTE	AMAJUBA	(86 250.00)	-	-	-	(86 250.00)
952057		FORT AMIEL	VARIOUS	(3 797.00)	-	-	-	(3 797.00)
952064		EMERGENCY CONTROL ROOM	AMAJUBA DM	(6 347.26)	-	-	-	(6 347.26)
952009		FLOOD RELIEF	TRANSNET	-	-	(500 000.00)	-	(500 000.00)
952135		ROADS & STREETS	KZNPA TRAFFIC DEPT	(25 476.79)	-	-	-	(25 476.79)
952135		MAD LANDFILLSITE JV6941	DPLG	(81 951.51)	-	-	-	(81 951.51)
952139		MAD LIBRARY INTERNET PROJ	KZN ARTS CULT	(22 578.00)	-	(96 000.00)	94 500.00	(24 078.00)
952235		OS CRICET OVAL	DC25 TRAFFIC SIGNAL	(39 446.94)	-	-	-	(39 446.94)
952235		OS CRICET OVAL	UCBSA	(589.81)	-	-	-	(589.81)
952239		OS LIBRARY INTERNET PROJ	KZN ARTS CULT	(22 578.00)	-	(96 000.00)	94 500.00	(24 078.00)
952245		ABLUTION OZ CRICKET OVAL	NAT LOTTERY	(3 322.00)	-	-	-	(3 322.00)
	ECONOMIC DEVELOPMENT							
952014		NEWCASTLE CALL CENTRE	NOT PROVIDED	(8 096.35)	-	-	-	(8 096.35)
952018		CTO TRANSPORT	AMAJUBA DISTRICT MUNICIPALITY	(6 000.00)	-	-	-	(6 000.00)
952019		GREENEST MUN COMPETITION 2009	KZN AGRICULTURE ENVIRONMENTAL	-	-	(150 000.00)	131 400.00	(18 600.00)
952020		EXPANDED PUBLIC WORKS INCENTIVE	PUBLIC WOKS	-	-	(641 000.00)	-	(641 000.00)
952052		NEWCASTLE ALLIANCE SUMMET	FNB	-	-	(120 000.00)	-	-
952052		NEWCASTLE ALLIANCE SUMMET	TOURISM KZN	-	-	(115 000.00)	-	-
952052		NEWCASTLE ALLIANCE SUMMET	KZN ECONOMIC DEVELOPMENT	-	-	(100 000.00)	335 016.00	-
952052		NEWCASTLE ALLIANCE SUMMET	KNZ ECONOMIC DEVELOPMENT	-	-	(50 000.00)	-	(49 984.00)
952082		CMTP FOR LED	DELOITTE & TOUCHE	(760.02)	-	-	-	(760.02)
952086		SOYA MILK FACTORY	AMAJUBA DM	(30 000.00)	-	-	-	(30 000.00)
952241		LOCAL ECONOMIC DEVELOP 992038	DPLG	-	-	-	-	-
952243		OSIZWENI DEPOT CLUSTER 992044	IDP	(19 034.00)	-	-	-	(19 034.00)
	HUMAN RESOURCES							
952074		COMMUNITY DEVELOPMENT WO	DLGTA	(3 906.06)	-	-	3 091.25	(814.81)
952065		SKILLS DEVELOPMENT	LG SETA	(552 423.58)	-	(546 847.85)	-	(1 099 271.43)
	IDP/PMS OFFICE							
952040		M S I G	DPLG	(546 470.63)	-	(750 000.00)	-	(1 296 470.63)
952041		IDP REVIEW	AMAJUBA	(7 547.68)	-	-	-	(7 547.68)
952005		IDP (992025)	DBSA	(76 294.00)	-	-	-	(76 294.00)
	INFRASTRUCTURAL SERVICES							
952012		BUILDING SUSTAINABLE TECHNICAL CAP	DLGTA	(500 000.00)	-	-	-	(500 000.00)
952068		PMU	MIG D 128116	(4 267 652.77)	-	-	-	(4 267 652.77)
952147		MADADENI 4 LINK RD BRIDGE	MIG	-	-12 805 496.89	-	12 805 496.89	(0.00)

952149	MADADENI URBAN ACCESS RD	MIG	-	-	-	12 848 225.64	12 848 225.64
952153	LANDSCAPING CENTRAL BUSINESS MAD	DLGTA	(1 634 263.19)	-	-	919 136.93	(715 126.26)
952154	UPGRADE MADADENI SEWER TREATME	DLGTA	(4 489 864.51)	-	-	3 478 343.47	(1 011 521.04)
952155	CONSTRUCTION MADADENI 4	DLGTA	(7 000 000.00)	-	-	-	(7 000 000.00)
952156	MADADENI JOHNSTON LINK RD	MIG	-	-5 802 025.25	-	5 802 025.24	(0.01)
952157	MADADENI 4 ASPHEPHE RD/ BRIDGE	MIG	-	-1 886 235.65	-	1 886 235.65	-
952233	LANDSCAPING CENTRAL BUSINESS OZ	DLGTA	(1 607 284.40)	-	-	1 084 498.94	(522 785.46)
952250	DICKSHALT ROAD	MIG	-	-734 550.71	-	734 550.71	-
952251	OS URBAN ACCESS RD	MIG	-	-8 177 030.63	-	8 177 030.63	-
952436	INTERGRATION INTO REGIONAL ELECT	DPLG	(150 000.00)	-	-	-	(150 000.00)
952437	ELECTRIFICATION PROGRAM	DEPT MINERAL & ENERGY	(27 655.79)	-	-	-	(27 655.79)
952438	ELECTRIFICATION DRYCUT CHARLESTOV	DEPT MINERAL & ENERGY	-	-	(6 458 000.00)	5 606 033.37	(851 966.63)
952940	ACCESS ROAD BR1	CMIP	(229 601.10)	-	-	-	(229 601.10)
952942	BR10 ACCESS RD	MIG (952145)	(8 299.55)	-	-	-	(8 299.55)
952943	BR11 ACCESS RD	MIG (952146)	(251 090.03)	-	-	-	(251 090.03)
952944	BR12 ACCESS RD	MIG (952142)	(215 635.00)	-	-	-	(215 635.00)
952945	CONSTRUCTION BR 1	DLGTA	(2 635.41)	-	-	-	(2 635.41)
952949	JR1 ACCESS RD	MIG	-	-6 195 560.53	-	6 195 560.53	-
952950	JR2 ACCESS RD	MIG	-	-86 511.82	-	86 511.82	-
952951	JR3 ACCESS RD JOHNSTON	MIG	(158 519.28)	-	-	-	(158 519.28)
952952	JR4 ACCESS RD JOHNSTON	MIG	(393 824.23)	-1 962 185.32	-	2 356 009.55	-
952445	ELECTRICITY	DEVELOPERS	-	-	-	-	-
MUNICIPAL MANAGER							
952060	TRANSFORMATION GRANT	DPLG	(47 272.11)	-	-	-	(47 272.11)
952085	WARD COMM INDUCT TRAIN	DLGTA	(4 100.00)	-	-	-	(4 100.00)
952089	MUNICIPAL ADMINISTRATION	DLGTA	-	-	(1 000 000.00)	-	(1 000 000.00)
952135	SOCIAL PLAN FUND	DPLG	(50 000.00)	-	0.00	-	(50 000.00)
FINANCIAL SERVICES							
952046	MUN ADMIN SYSTEM	AMAJUBA DISTRICT MUNICIPALITY	(182 500.00)	-	-	-	(182 500.00)
952087	MARKETING STRATEGY	DELOITTE & TOUCHE D128300	(6 184.00)	-	-	-	(6 184.00)
952088	REVENUE ENHANCEMENT STRATEGIES	DELOITTE & TOUCHE D128300	1 878 244.35	-	-	-	1 878 244.35
HOUSING							
952035	DC 25 ILLEGAL OCC	ISCOR&DC25	(55 044.29)	-	-	-	(55 044.29)
952042	ESTAB SERVICE PRO HSE	AMAJUBA	(70 000.00)	-	-	-	(70 000.00)
952069	UPGRADE FAIRLEIGH FLATS	KZN PROVINCIAL	(312 544.69)	-	-	220 098.91	(92 445.78)
952244	REPAIR/CONST STORM DAMAGE HSE	DEPT HOUSING	(67 707.40)	-	-	-	(67 707.40)
CORPORATE SERVICES							
952007	CLEANEST TOWN		(23 975.11)	-	-	-	(23 975.11)
952008	MAP	KZN DLGTA	(2 099 976.34)	-	-	-	(2 099 976.34)
952044	COM COMMUNITY STRUCT	AMAJUBA	(97 780.00)	-	-	-	(97 780.00)
952075	CURTAINS S/HALL	NC WINTER FESTIVAL	(130.42)	-	-	-	(130.42)
952083	CMTP WARD COMM ESTB PROCESS/TRA	DELOITTE & TOUCHE	(13 920.17)	-	-	-	(13 920.17)
952084	CMTP AUTOMATION PMS	DELOITTE & TOUCHE	(71 153.09)	-	-	-	(71 153.09)
DEVELOPMENT AND PLANNING							
952001	ENVIRONMENTAL MANAGEMENT	DEPT OF AGRIC AND ENVIR AFFAIRS	(1 500 000.00)	-	-	-	(1 500 000.00)
952002	AMAJUBA HYDROPHONIC PROJECT	DBSA	-	-	(239 118.00)	158 194.00	(80 924.00)
952038	FLOOD DISASTER FUND	DWAF	(44 492.49)	-	-	-	(44 492.49)
952047	SPATIAL PLANNING	DLGTA	(150 000.00)	-	-	-	(150 000.00)

952054		CAPACITY BUILDING	KZN DLGTA	(23.79)	-	-	-	(23.79)
952058		GIS CAPACITY BUILDING	KZN DLGTA	(12 384.01)	-	-	-	(12 384.01)
952059		T/PLANNING CAP BUILDING	KZN DLGTA	(474.07)	-	-	-	(474.07)
952079		WSA SUPPORT	DWAF	(272 194.58)	-	-	-	(272 194.58)
952247		URBAN RENEWAL PROGRAMME D1285	DLGTA	(37 079.22)	-	-	-	(37 079.22)
952447		WATER SERV DELIV MECHANISM	DTLG	(7 581.74)	-	-	-	(7 581.74)
ACCOUNT CODE		UNCONDITIONAL GRANTS AND RECEIPTS PURPOSES	NAME OF FUNDER	OPENING BALANCE	TRANSFERS	CONTRIBUTION DURING THE YEAR	EXPENDITURE YEAR TO DATE	BALANCE AT 30 JUNE 2011
952035	FINANCE	UNCONDITIONAL	UMZINYATHI	(830 419.74)	-	-	421 289.09	(409 130.65)
952035		UNCONDITIONAL	EQUIT SHARE	(80 112.29)	-	-	80 112.29	-
952035		UNCONDITIONAL	EQUIT SHARE	(150 000.00)	-	-	-	(150 000.00)
952050		FINANCE MANAGEMENT GRANT	NATIONAL TREASURY	(2 220 036.15)	-	(1 200 000.00)	1 488 442.25	(1 931 593.90)
952009	HOUSING AGENCY	DEVELOP HOUSING SECTOR PLAN	KZN HOUSING	(100 000.00)	-	-	-	(100 000.00)
952010		MIG	MIG	(6 459 183.16)	37 649 596.80	(52 013 000.00)	20 092 655.13	(729 931.23)
952080		KWAMATIKUSA HOUSING	DEPT HOUSING - D128429	(11 096 643.58)	-	(555 254.88)	-	(11 651 898.46)
952136		MAD OZ DISASTER	VARIOUS	(17 979.80)	-	(1 073 211.00)	-	(1 091 190.80)
952141		MAD OSIZ UPGRADING HSE	DEPT HOUSING	(581 155.97)	-	(26 980.93)	-	(608 136.90)
952236		HSE OS SECT E	DEPT HOUSING - D127930	(1 124 989.37)	-	-	535 575.06	(589 414.31)
				(49 778 808.24)	-	(65 820 412.66)	86 087 095.36	(29 512 125.54)
ACCOUNT CODE	WATER AND SEWER	CONDITIONAL GRANTS AND RECEIPTS	NAME OF FUNDER	OPENING BALANCE	TRANSFERS	CONTRIBUTION DURING THE YEAR	EXPENDITURE YEAR TO DATE	BALANCE AT 30 JUNE 2011
983050		Repair water leaks	DWAF	(326 552.37)	-	-	-	(326 552.37)
983052		Sewer MAD JV6941	DPLG	(11 859.22)	-	-	-	(11 859.22)
983053		Sewer osiz JV6942	ZNPA LG&H	1 596 216.00	(1 596 216.00)	-	-	-
983057		Repair sewer pump Iscor flats		(2 000.00)	-	-	-	(2 000.00)
983063		Water retcul Blaauwbosh	AMAJUBA	(1 284 757.12)	1 596 216.00	-	-	311 458.88
983067		WC WDM	DWAF	(20 395.38)	-	-	-	(20 395.38)
983068		Os F phase 1 sewer	KZN Housing	(69 999.21)	-	-	-	(69 999.21)
983240		Bulk sewer line & pumpstation	NAT TREASURY	-	-	(5 262 000.00)	2 572 955.75	(2 689 044.25)
983241		Drought relief	DWAF	(23 053.70)	-	-	-	(23 053.70)
983242		Water treatment	DWAF	(3 922 719.05)	-	-	9 365 438.91	5 442 719.86
983245		NORMANDIN INGOGO CHARL/BASIC WA	DCGTA	-	-	(1 134 000.00)	439 370.16	(694 629.84)
				(4 065 120.05)	-	(6 396 000.00)	12 377 764.82	1 916 644.77